PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Paris, Friday, January 21, 1994

No. 34,491

### China Agrees To a Demand By Clinton on **Prison Labor**

U.S. Linked Inspections Of Alleged Export Sites To Special Trade Status

By Thomas L. Friedman

New York Times Service

BELITING — Treasury Secretary Lloyd Benisen announced Thursday that the United States and China had reached an agreement to allow American customs officers to regularly visit Chinese prisons to ensure that their factories were making products for export to America.

The agreement gives important momentum to the Clinton administration's drive to get China to loosen up on human rights so that President Bill Clinton will have the political cover with Congress to renew China's preferential trade status in June. Movement on the prison labor issue was one of the chief condiions Mr. Clinton laid down for the renewal of China's preferential trade status.

In a speech in Beijing, Mr. Bentsen said that the two governments had agreed on measures "to insure more effective prevention of the export of goods made with prison labor." He said that China had agreed to permit inspectious of five prisons alleged to be producing roods for export.

The accord, together with an agreement between Washington and Beijing earlier this week that curbs covert Chinese textile exports to the United States and the recent release by China of a few prominent political prisoners, suggests that the administration's new policy of aggressive engagement with Beijing may be beginning

It remains to be seen how China will respond accounting of all its political prisoners, visits to those prisoners by the International Committee of the Red Cross, emigration rights for families of dissidents, and protection of Tibet's distinctive and cultural heritage.

Mr. Bentsen declined to be drawn into characterizing the importance of the recent Chinese moves, nor did he say whether he felt the fwo governments were on their way to resolving enough of their differences for Mr. Clinton to feel comfortable renewing China's most fa-

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Boris G. Fyodorov, the reform-minded finance minister, announced Thursday that he was quitting Boris N. Yeltsin's new government.

### The Graying of Europe Has Started to Come to a Head

By William Drozdiak Washington Past Service

PARIS - In the race to stay competitive with the rest of the world. Western Europe is slowly awakening to a troublesome handicap: Its population is rapidly turning gray, burdening prosperous societies that must find new means to subsidize the

A steady trend toward longer life spans and diminished birth rates is starting to have a dramatic impact throughout the 12 states of the European Union, just when they are experiencing the steepest recession in two decades. Schools are shutting, hospitals are becoming overcrowded, and the tax base of productive workers everywhere in Western Europe is shrink-

About one-lifth of the Union's 340 million citizens are over

60. Demographers say the proportion will grow, so that by 2010 there will be more Europeans drawing pensions than contributing to them.

"Europe has been getting older since the turn of the century, but the effect on our quality of life may really start to show in the next few years," said Padraig Flynn, social affairs chief of the European Commission. "If we don't get some of the 20 million unemployed people back to work soon, it will be hard to finance our welfare systems."

A fulling high wate beautiful the wealthing parts of

A falling birth rate has afflicted the wealthier parts of Europe for more than a decade. According to the UN Population Fund, Italy has the world's lowest fertility rate. Statistically, women bear only 1.3 children. All countries in Western rope, except Ireland, rank below the 2.1 level of the United States and the 3.3 world average.

The drop in European procreation often is attributed to the growing independence of women, who have entered the work orce in large numbers and do not want the burdens of raising a large family

A recent European Commission study found that of the 168 million women in European Union states, more than onequarter were heads of households, either living alone or as single parents. They have fewer babies, at a later age, and births outside marriage are rising last.

Among couples, sociologists point to a widespread desire in prosperous European societies to spend more money and time on travel and leisure rather than on children. The increased use of birth control and legalized abortion in Europe has coincided

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### **Reformers Shut Out** Of Yeltsin's Cabinet

### Finance Chief Quits, Prime Minister Declares 'Market Romanticism' Over

By Steven Erlanger

MOSCOW - Boris G. Fyodorov, Russia's reformist finance minister, announced Thursday that he was quitting the government after President Boris N. Yelisin named a new and much more conservative cabinet.

After four days of intense negotiation and financial panic, the prime minister, Viktor S. Chernomyrdin, announced the makeup of the new government and declared that "the period of market romanticism is now over."

Mr. Fyodorov, a tough infighter and the bestknown market reformer in the government af-ter the resignation on Sunday of Yegor T. Gaidar, said he could not remain finance minister and accept a demotion from deputy prime minister, with the result that he would be outranked by conservative industrialists with little

understanding of market economics.

"The government will evidently be one that is not capable of advancing reforms," Mr. Fyodorov, 35, said Thursday night.

He forecast much higher inflation by April and further falls in the value of the ruble. "The president can change the government in three months," he said. "That is his constitu-tional right, and I hope he will use it."

Mr. Chernomyrdin said Thursday that "the government will not retreat from the course of continuing and deepening reform." But he added that the new cabinet must "correct the course of reforms.

He said the fight against inflation would include efforts to establish price and wage con-

Mr. Chernomyrdin said he expected higher inflation of 15 percent to 18 percent through the first half of this year and 8 or 9 percent by its end. That is twice the target of the last

government, which had been agreed upon with the International Monetary Fund.

Mr. Chernomyrdin's prescriptions prought negative responses from senior Western diplomais, who forecast considerably higher inflation and a further run on the ruble, which stabilized Thursday when the central bank flooded the market with dollars.

One dollar brought 1,553 rubles, compared to 1,607 on Wednesday. But market expectations were more visible in the private ex-changes, which were asking up to 1,900 rubies

"Even if not unexpected, this is not good news," one diplomat said. "It's nice to have a more united government, but not if they go marching off united in the wrong direction."

He said the new cabinet was an embarrass-ment to President Bill Clinton, who got assur-ances of deeper reforms from Mr. Yeltsin at their summit meeting last week.

"But the West was probably irrelevant to the final part of this struggle," he said.

Mr. Fyodorov had demanded that Mr. Yeltsin and Mr. Chernomyrdin choose between himself and the Soviet-era chief of the central bank, Viktor S. Gerashchenko. Mr. Yeltsin is believed to have favored the inclusion in the cabinet of Mr. Fyodorov but Mr. Chernomyrdin, a figure of increasing power as Mr. Yelt-sin's political authority begins to wane, refused to accept the young reformer's ultimatums.

Mr. Chernomyrdin has argued that the results of the Dec. 12 parliamentary elections, in which Mr. Gaidar's Russia's Choice party ran second to the ultranationalist Vladimir V. Zhirinovsky, require a more cushioned transition to

See RUSSIA, Page 5

### New Inspection Barriers Raised by North Korea

By David E. Sanger
Non York Times Senior

TOKYO - In a setback for the Clinton administration's hopes that inspectors would soon be headed into North Korea's nuclear complex, the International Atomic Energy Agency said Thursday that the North had rejected a list of sites that the agency said it must visit to determine if nuclear weapons were un-

der development. The inspection was agreed upon in principle by the United States and North Korea last Mr. Ryd said. "We had thought there would be month, and several weeks ago the State Department said it expected a final, technical agreement with the energy agency in just a few days. Instead, a standoff has developed between the agency and Pyongyang over how extensive an

inspection North Korea will allow. More than a week ago the agency, an arm of the United Nations, submitted an eight-page document to North Korea listing sites it would need to visit. Inspectors have been harred from some of the sites for a year and cameras have

run out of film at many of the others. In recent days, however, North Korea has told the agency that "there were a significant

allowed," said David Kyd, the agency's sprikes man in Vienna.

Mr. Kvd said that Hans Blix, the directorgeneral of the agency, made it clear to North Korea that "this is not a negotiation." He said that the agency forwarded an explanation of items on its inspection list and would not back down on them.

"We told them that we will not send an inspection team unless there is full agreement, a crinkle or two, but this is substantial."

The United States has said that if North Korea permitted the inspections to go forward and reopened its dialogue with South Korea. the two sides could move to a round of broader discussions about diplomatic ties and aid. But it has also said that any inspection regime would have to be approved by the international Atomic Energy Agency.

North Korea also warned the United States and South Korea on Thursday against replacing Team Spirit, an annual joint military exercise, with other, smaller military exercises.

### Europe's Debate: Interest Rates, Again

PARIS -- Six months after a currency crisis blew apart Europe's exchange-rate system, tensions are mounting again over interest rates, an issue that was at the heart of that fracas.

This time, as the Continent's core economies of France and Germany continue to stagnate, the struggle is not among governments, or be-tween central banks and chiracty speculators. Instead, businessmen and government officials are at odds over the speed at which rates should be cut in order to kick-start growth.

A number of industrialists and economists say France's insistence on maintaining a strong franc by keeping its interest-rate cuts in step. with Germany's means that Paris has lost a valuable opportunity to spur its own recovery, The debate sharpened Thursday after the Bundesbank council met and left rates unpolicy of slow, cautious rate reductions was

Although corporate executives in Europe are traditionally less outspoken than their American counterparts in calling for cheaper money, interviews with business leaders, economic

The Bundesbank lifts a major financial burden on banks but leaves rates machanged. Page 11. ! and bankers in France and Germany suggest

this reticence is being abandoned.

Among those in France demanding rapid cuts in interest rates is Jean-Pierre Tirouflet, chief financial officer of Rhône-Poulenc SA, the leading French chemicals and pharmaceuticals group.
"We are in the deepest recession in Continen-

tal Europe since the second world war, and at the same time France has the highest real shortterm interest rates in Europe, more than 4 changed again; raising concern that even its percent," Mr. Tirouflet said in an interview.

thing. Efforts to cut rates were made during 1993, but the rates came down from a level that was insane. What is needed now to restart the economy is to cut real interest rates at the short

In Germany, where many companies have relatively long-term debt, the pressure for rate cuts is less acute because 10-year rates, now about 5.64 percent, are lower than short-term

Bundesbank who is head of forecasting at the German Institute for Economic Research. based in Berlin, said Germany and France needed American-style sharp cuts in interest rates, on the order of two or three percentage points this year, "to get out of recession."

The Bundesbank's decision Thursday only

See RATES, Page 5

FIRE DESTROYS AIRBUS — A gutted Air France A-340 on the apron where it caught fire Thursday near Paris. Page 2.

Up 7.59 Up 0.47% 3.891.96 The Dollar New York. 1.7455 1.493 111.405

### **Special Counsel Gets Whitewater Case**

Kiosk

A former U.S. prosecutor, Robert Fiske, was named Thursday to probe the Clintons' Arkansas land dealings in the 1980s. Mr. Fiske said he planned to question both Bill Clinton and his wife, Hillary, under oath. At a news conference where Attorney General Janet Reno announced his selection as independent counsel. Mr. Fiske said he would conduct a broad probe, including whether the suicide of Vincent Foster Jr., a White House aide and Clinton friend, had any link to the Whitewater case. (Page 3)

### In This Cold War, Cope and Thaw Out

By Paul F. Horvitz and Heald Tribune

WASHINGTON - Nature, not crime, is the phenomenon binding millions of Americans into a survivalist community of anxiety and

fear these days. And the brutal earthquake in Los Angeles is not the half of it.

The villain of the moment is unheard-of Arctic cold — a biting, penetrating, sub-zero cold that has locked a thick layer of grantehard ice over the East, Midwest, the Mountain states and parts of the South.

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very good citizen, you turn it off to save electricity. There were brownouts from North Carolina to New Jersey on Wednesday as voltage sagged; there also were staged, 30-minute blackouts rolling from neighborhood to neigh-borhood as demand outstripped the power sup-

ply. The Cold War never did this. Click. The battery-powered radio is on, telling of closed schools, closed businesses and closed government offices. Even the steel mill in Bethlehem, Pennsylvania, was down. So much was closed that the announcers resorted to listing the hardy lew institutions that were

Weather forecasters are hauling out all the superlatives. Minus 20 degrees Fahrenheit (minus 29 degrees centigrade) in Cleveland. Re-cord lows in Kentucky, Indiana, West Virginia. Michigan? It was minus 52 degrees Fahrenheit (minus 47 centigrade) in one town. Tempera-tures in Washington on Wednesday hit the lowest levels in this century. Not to mention the

The alligator pond at an Alabama 200 froze, It could be worse. The governor of Pennsyl-

Click: The television is on — but if you are a vania and the mayor of the District of Columny good citizen, you turn it off to save electric declarations. nesses simply must close to save electricity or face fines.

Tankers carrying oil to the hungry power plants on the Delaware River off Philadelphia are ice-bound. On Thursday, the federal government was shut down, turning Washington into a libertarian's paradise. Airports in the Northeast closed for a while, then slowly came back. Emergency shelters were set up in some states where travelers were forced off impassable highways

Nearly 100 people have died since Friday in car accidents or of cardiac arrest linked to the year has been particularly hard on the old

The windows are icy. On the inside. Will the milk and bread hold out? Cabin fever is rampant. The kids, millions of bored kids, have been home from school for days. Going out to play is an invitation to frostbite and hypothermia. The newspapers are full of instructions: How to dress (layers, layers and more layers), how to save water pipes, how

See COLD, Page 5

#### Even Insiders Learn to Bash Washington David R. Gergen, the presidential counselor. By Maureen Dowd

New York Times Service WASHINGTON - It has been a long time since Washington got any respect, but the last

The town had barely recovered from being labeled "a mess" by Ross Perot when Bill Clinton's crowd started in. Linda Bloodworth-Thomason, the Hollywood producer and first family friend, called Washington an "incestuous insane asylum," and began preparing a new sit-

com lampooning the city.

Vincent W. Foster Jr., the deputy White House counsel, said in a note before his suicide that "ruining people is considered sport" here.

warned that a "cannibalism" was loose. President Clinton complained that the culture was obstructionist and should be changed.

And in his television appearances on Tuesday, in which he withdrew his nomination as secretary of defense, Bobby Ray Imman railed about an "era of modern McCarthyism" and spun what sounded even to his friends like strange theories of conspiracies between politi-

cians and columnists. It used to be that only outsiders bashed Washington. Then insiders pretending to be outsiders - Patrick Buchanan, George Bush and even Bill Clinton, the governor who worked the capital as though it were a precinct of

Arkansas - bashed Washington, Now, with veteran Washington officials such as Mr. Gergen and Mr. Inman joining in, the rhetorical device of playing David to the capital's Goliath has reached a remarkable new level. Populist attacks on Washington have become the stock in trade of Washington insiders.

"I've made a number of attacks on the Washington establishment," drawled James Carville, the Clinton strategist. "But Bobby Inman isn't exactly the ally you want." If Mr. Gergen and Mr. Inman, charter mem-

bers of the Washington culture of leaking, manipulating, backscratching and logrolling, now

See BASH, Page 5

PARIS - France proposed Thursday that the United States, Russia and the European Union countries hold urgent talks to conceive a new international approach to stop civil war in Bosnia after the breakdown of negotiations in Ge-

Foreign Minister Alain Juppé declared that a radically different policy was needed to thwart escalation in fighting that could jeopar-dize hundreds of thousands of civilians as well as the humanitarian aid operations of the 26,000-man United Nations peacekeeping force.

Diplomats said consultations could begin as early as Saturday when foreign ministers from many of the countries involved are expected to gather in Oslo to attend the funeral of Johan Jürgen Holst, the Norwegian minister who died of a stroke after helping to broker mutual recognition between Israel and the Palestine Liberation Orga-

Mr. Juppé said the latest failure to stop the 21-month-old war showed that Bosnia's warring Serbs Croats and Muslims were not willing to make peaceful commitments, let alone honor them on

He said a new approach "means thinking about the need to draw conclusions from the parties' obstinate determination to gain through war what we want them to achieve by peace."

The tone of the appeal also re-flected France's worsening political and military predicament in maintaining a large peacekeeping force in the former Yugoslavia that has neither the weaponry nor the necessary orders to use force to carry out its mandate, which is to deliver aid but to refrain from combat even when physically threatened

France has deployed about 6,000 peacekeepers in Bosnia and Croatia, more than any other country.



General Jean Cot, the UN commander, left, looking at a cartoon in a Sarajevo newspaper Thursday depicting him as a bowling pin being hit by Butros Butros Ghali, the UN chief. General Cot, who was critical of UN policy on Bosnia, will be replaced by the end of March.

military sources say the harrowing number of war crimes and the frustrating nature of the mandate has turned the mission into a demoralizing experience for many of the

Moreover, the two French generals who have headed the UN peace-keeping force for the past year, Phi-

find a face-saving way to extricate lippe Morillon and his successor, them by the end of winter. French Jean Cot, have repeatedly clashed with the UN secretary-general, Butros Butros Ghali, and the rest of the civilian hierarchy that has followed the war from the safety of the UN's New York headquarters.

The French government announced this week that General Cot would be replaced at the end of March as part of what Mr. Jappé

Ghali to delegate to him the power France recall General Cot. to order air strikes in order to pro-tect his forces when under attack.

Mr. Butros Ghali refused to do Balladur had supported General so, insisting that such authority was Cot publicly and urged that his conferred strictly on him by the members of the UN Security Council. Angered by the general's impertinence. Mr. Batros Ghali met with UN chief, Mr. Mitterrand ac-

termed a "regular rotation." General Cot had urged Mr. Butros Paris on Jan. 8 and demanded that

Mr. Mitterrand and the govern-ment of Prime Minister Edouard

knowledged that the French general should not receive the authority to call for air strikes, presidentia

advisers said. In the past, France has repeatedly insisted that the UN secretaryneral must be the ultimate augeneral must be the utanasa thority in deciding when to launch air stokes from North Atlantic

Treaty Organization bases in Italy. France led the way at the NATO summit talks in Brussels earlier this month for a renewed warning of air strikes against Bosnian Serbs, especially if they persisted in keeping the Tuzia airport closed and refused to allow Dutch troops to replace a Canadian contingent blocked in the Muslim enclave of

Srebrenica. On Wednesday, Mr. Butros Ghali ruled out any use of air strikes to open the airport at Tuzia or to relieve the Canadian troops because the UN forces lacked "other means" on the ground to make the strikes successful.

-- WILLIAM DROZDIAK

A Vote to Oust Owen

Frustrated by unsuccessful efforts to halt war in Bosnia, the European Padiament called Thursday for the dismissal of David Owen, the European Union's medi-ator in the Yugoslav peace process, news agencies reported from Stras-bourg France.

By a vote of 160 to 90, with 13 abstentions, the European Union's 518-member assembly said Lord Owen had not fulfilled his task to bring peace to the region. A deci-sion to dismiss him could be taken only by the 12 EU governments.

But in London, Lord Owen said Thursday that he intended to stay on. Asked whether he would resign after the resolution, he said: "There's no question of it." He said that it was an open secret that he wanted to quit the burdensome task, but that he had agreed to belp EU foreign ministers through what he said was the current crisis.

**Blaze Guts** 

Airbus at

De Gaulle

touched off by a cigarette left smol-

dering by a passenger or by an electrical fault in the wiring aboard-

Orly airport when its landing gear

The A-330, which can carry more

than 330 passengers and was making only its second commercial

flight, landed safely. It was on an

Air Inter flight from Paris Orly to

Toulouse with 139 passengers. Air

Inter is the domestic service of Air

The aircraft that burned went

into service in June, one of the first

Air France declined to identify

the intended destination of the A-

340, which is one of only seven in service with the company. The car-

rier uses A-340s on its routes to Latin America and North America

and was planning to introduce it on

Asian routes this year. Air France has placed firm orders for five more

failed to retract after takeoff.

the aircraft.

to do so.

#### atrocities in the Balkans. Mr. Waldheim, who served two terms as United Nations secretary

still have no diplomatic relations.

WASHINGTON (Reuters) — The United States may soon release parts of a secret file on the Nazi past of Kurt Waldheim, the former Austrian president; administration sources said Taursday. Evidence in the file led to his being barred in 1987 from entering the United States. The sources said the Justice Department had recommended the release of parts of the file containing a chronology of Mr. Waldheim's warting activities and documenting his proximity to and involvement in Nazi

general before his 1936 election to the Austrian presidency, has admitted to covering up his World War II army record but has denied knowledge of or participation in war crimes.

WORLD BRIEFS

Patten Calls China 'Irrational' on Vote

Thursday accused China of being responsible for the deadlock in talks over the British colony's handover to Beijing in 1997.

In testimony to a parliamentary committee, Mr. Patten said Britain would go ahead with electoral reforms in Hong Kong whether Beijing agreed or not. He said time was running out, with just six mouths left before the lectoral to be a said time was running out, with just six mouths left.

efore the legislation had to be put in place for democratic elections. octore me registation had to be put in place for tremocratic elections.

"These are fantastically complicated elections," Mr. Patten said. "July is cutting things very fine indeed." He said the Chinese had been irrational" and appealed to them to return to the negotiating table.

U.S. and Hanoi to Discuss War Claims

WASHINGTON (Reuters) - The United States and Vietnam have

agreed to hold talks simed at settling millions of dollars in financial

claims stemming from the 1975 Communist victory over the U.S.-backed

South Vietnamese government, the State Department said Taursday.

The agreement to discuss the estimated \$250 million in U.S. clauss

marks a new step toward improved relations between the countries, which

The prospective dialogue, while not directly related to the lifting of a

19-year U.S. trade embargo against Hanos, fits into a pattern of moves toward normalization of ties.

BONN (NYT) — Wolfgang Vogel, a Berlin lawyer who became famous during the Cold War trading spies and political prisoners between East and West, was freed on bail Thursday after six months in jail tween East and West, was freed on bail Thursday after six months in jail

accused of tax evasion, perjury, and other charges brought against him since Germany was remnified in 1990.

Mr. Vogel and his wife, Helga, were arrested July 18 when the tax evasion and perjury investigations became public. Mrs. Vogel was released on bail last summer. Mr. Vogel, 68, posted more than \$2 million in

bail, according to his lawyer. A spokeswoman for the justice authorities in Berlin said Mr. Vogel was still under suspicion of tax evasion. He also

faces trial on separate charges of perjury, blackmail and coercion of former clients in East Germany.

U.S. Ready to Release Waldheim File

Spy-Swap Lawyer Is Free on Bail

LONDON (Reuters) - Governor Chris Patten of Hong Kong on

#### Correction

Because of an editing error, an article from Geneva in Thursday's editions misrepresented an agreement between Croatia and Serbia. The two agreed on eventual, not immediate, diplomatic recognition and took first steps toward that goal.

TRAVEL UPDATE

#### EU Air Experts Favor Free Market

- BRUSSELS (Renters) — The European Union should press on with liberalizing the Continent's air industry and get tough on state aid to carriers, air transport experts said Thursday.

The committee of experts, set up to find cures to the industry's.

PARIS - Fire destroyed an almost new Airbus jediner worth problems, will present its report to the European Commission on Feb. 1.

They said the panel had come down more in favor of the free-market approach of British Airways than the state aid favored by ailing state-owned carriers such as Air France, Sabena and Airalia.

Senior officials from those three airlines urged at hearings last September of the first control of the free airlines urged at hearings last September of the first control of the firs \$120 million Thursday while it was on the tarmac before going into service for the day. The aircraft was empty and there were no casualties.

The 30-minute fire gutted and

broke the fuselage. A spokesman ber a freeze on air capacity to halt a downward spiral in fares and the for Air France, owner of the four-establishment of an EU fund to ball out the recession-battered sector, engined Airbus A-340, said the Thousands of packages of highly toxic pesticide have washed up along cause of the fire was unknown. Thousands of packages of highly toxic pesticide have washed up along cause of the fire was unknown. Dutch to fast, the Transport Ministry and Officials said it was believed the pesticide cause from a freighter that lost a container off the maintenance hangar at the company and was contained to the maintenance hangar at the container of the container of the maintenance hangar at the container of the container of the maintenance hangar at the container of the conta

Charles de Gaulle airport, and was Casabodia will stage a pedicab race next month to kick off a series of

on an apron far from passenger events aimed at helping to shed its war image, the Tourism Ministry announced Thursday. Smoking is forbidden in the A typhoon raged just off the Great Barrier Reef on Thursday, battering the Australian northeast coast with gate force winds and high seas. maintenance hangar, but officials speculated the fire could have been

Authorities said it had killed 10 people. At least nine people were missing and presumed drowned off Papus New Guinea's southeast tip. (AP) Grand Canyon is looking to carb overcrowding, even a ban on cars. "You can easily spend an hour and a half of a two-hour visit just looking for a place to park," a spokesman said. In stanater day, about 20,000 visitors and 6,000 cars pass through daily. There are fewer than 2,000

Transport police and fire special-ists checked the wreckage for clues. It was the second incident in-Scandinavian Airlines System will begin three weekly flights between volving an Airbus plane this week. Earlier, an Airbus A-330, the twin-Osaka and Copenhagen after Kansai International Airport starts opera-tions in Osaka in September, SAS officials said Thursday. (AFP) engined, shorter-range cousin of the A-340, had to return to Paris Heavy snow in the Moroccan mountains forced road closings and

marconed groups of tourists at resorts. Nigeria threstened to impose sauctions against international airlines that sell tickets in foreign currencies. Some carriers had urged local travel agents to stop dealing in Nigeria's overvalued currency.

### Arafat and Peres Will Seek Accord at Norway Meeting

CAIRO — The PLO chairman, Yasser Arafat, and Foreign Minis-ter Shimon Peres of Israel will try to put the Israeli-PLO peace deal back on track when they travel to the funeral of the man who bro-

The Egyptian foreign minister, Amr Moussa, said that Mr. Arafat and Mr. Peres would meet on Saturday in Norway, where both will attend the funeral of the Norwegian foreign minister, Johan Jorgen Holst.

yet withdrawn as envisioned under

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"It is expected that Arafat and Peres will meet in Oslo on Saturday for more discussions on the negoti-ations between them," Mr. Moussa said Thursday after a lengthy meet-ing between Mr. Arafat and President Hosni Mubarak of Egypt.

He said that Mr. Arafat would return to Cairo in the middle of next week for more discussions with Mr. Mubarak after his meet-

Palestinian-Israeli agreement will be reached soon," Mr. Moussa The talks between the Palestine

Liberation Organization and Israel on carrying out the self-rule accord have been stalled over security is-

### London Headmistress Misreads Romeo and Juliet'

LONDON — London school officials questioned a headmistress Thursday about allegations she had denied children the chance to see the ballet "Romeo and Juliet" because she felt the story was "blatantly" heterosexual.

Officials in the Hackney district of east London said they had summoned the headmistress, Jane Brown, for an explanation of her refusal of cut-price tickets for the pupils at her school, aged under 11, to go to London's Covent Garden ballet and opera house.

In comments later Thursday, the headmistress, 36, said

she was "dismayed at the distress" that her move had "caused to parents, staff and pupils." Earlier, she told officials the Covent Garden ballet and opera house that until books, film and the theater reflected all forms of sexuality, she thought it inappropriate to expose her pupils to the tale of the ill-fated young lovers.

Hackney's education chief, Gus John, described the decision as "ideological idiocy and cultural philistinism."

But after a meeting with the headmistress, he said, "She accepts that she was seeking to bring a series of ideological considerations to the content of that play and that was wholly inappropriate.

Colleagues at Kingsmead Primary School said that the headmistress's intention had been misunderstood and that she had not wanted to expose the children to dramstized gang warfare that forms an important part of Shake-

"She is not trying to promote homosexuality," a col-league said. "All she was trying to do was to prevent the children being fed a constant diet of gang fights and

The colleague added: "The school is on the edge of a notorious estate and showing the children yet more male stereotyping, feuding and knives is no joke. It is a question of balance."

### Brutal Slaying Recounted as Skinheads Go on Trial

WUPPERTAL, Germany — Two neo-Nazi skinheads and a bar owner accused of kicking and burning a fellow German to death because he was Jewish went on trial

The three defendants, who were caught within days of the November 1992 incident, listened impassively as the prosetor, Hans Jochen Buesem, gave a harrowing account of the alcohol on the man and set him afire. death 14 months ago of the victim, identified only as Karl Hans R., 53.

Mr. Buesem said the skinheads told police they had had a drinking match with the man, a Wuppertal butcher, in a pub owned by Marian Jan Glensk, 32, an ethnic German immi-

After someone suggested, apparently wrongly, that the butcher was half Jewish, one skinhead knocked him off his bar stool and both kicked him with their jackboots as he lay on the floor, Mr. Buesem said. 'Auschwitz must be opened up again," the bar owner was

severe burns on his chest and stomach, was bundled into a

He died of his injuries during the 100-kilometer (60-mile) drive from Wuppertal, northeast of Cologne, to Venio, just across the Dutch border, where his body was dumped.

The maximum sentence for Mr. Wember and Mr. Glensk would be life in prison. Prosecutors say Mr. Senf will probably be tried as a juvenile offender, which means he

could get a maximum 10 years in prison if convicted. Germany has been swept by neo-Nazi and other rightist violence since it was united in 1990. While most media attention has so far been paid to xenophobic attacks on foreign residents and refugees in the country, about half of

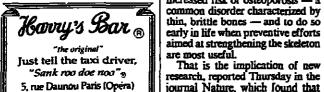
Against the backdrop of the trial, police raided the apart-ments and hangours of rightist extremists in five German states Thursday morning in a crackdown ordered by the federal government.

#### Serious Crimes Soar in China

BELJING - Serious crimes, including murder and drug trafficking, rose by 23.4 percent in 1993 as an economic boom brought more thefts, gang violence and narcotics

abuse, a senior police official said.
The official, Bai Jingfu, deputy minister of public security, said the overall crime rate in 1993 rose by 6.2 percent, roughly the same growth it has shown each year since 1982, the official China Daily said.

But serious criminal cases shot higher, reflecting a broader change in society brought by economic reform. The police cracked 19,000 drug trafficking cases, up 32 percent from 1992. Reported thefts and robberies are proposed 450,000 and robberies numbered 450,000, roughly 20 percent more than in the previous year. Mr. Bai said the rate of criminal offenses reached 20 per 10,000 people in China in 1993.



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### Nobel Laureates Plead for Jailed French Doctor

PARIS - Thirty-three Nobel prize winners added their voice Thursday to a petition to pardon Jean-Pierre Allain, one of the four doctors convicted in the French scandal of AIDS-contaminated

But with more than 1,200 hemophiliacs contaminated and 300 already dead, families of the victims reacted bitterly against the peti-tion, which was presented to President François Mitterrand and had sentences.

By David Brown

may one day be able to use a simple

genetic test to identify people at

increased risk of osteoporosis — a

common disorder characterized by

early in life when preventive efforts

That is the implication of new

bone density of adults appears to

research, reported Thursday in the journal Nature, which found that genetic contribution to bone densi-

almost half the variation in the ty came from one gene that in-

and researchers.
The convicted doctors, all senior

service, allowed distribution of a contaminated blood clotting prod-uct in 1985, after the AIDS risk had four year sentence and Dr. Allain, the chief researcher, two years. The other two doctors got suspended

gle gene, rather than diet or envi-

In general, a person's propensity

to develop low bone density is de-

termined about 60 percent by he-

redity and about 40 percent by various environmental factors such as

dietary intake of calcium, amount

of exercise, especially during youth, and the prevalence of smoking. The new research by Australian

asked that the four be pardoned.

The petition said that scientific as a professor as soon as he has completed his sentence. Colleagues nent French and foreign doctors was uncertain in 1985, that the problems in France had been no worse than in other countries and officials in the national transfusion that the four doctors had under-

gone "trial by media."
The appeal from the Nobel laureates on Dr. Allain's behalf said become known. The head of the that the French media had created service, Michel Garretta, received a a climate of hostility that made it

impossible for him to be given a

Cambridge University in Britain has said it will take back Dr. Allain

a result of the negligence of Dr. Garretta and his colleagues had been "betrayed and insulted" by Scientists Isolate Gene Linked to Bone Disorder

> leading to immobility, admission to nursing homes, and in about onemonths. Osteoporosis severe enough that it leads to fractures tends to run in families. Possible interventions to prevent

for the negligence of his superiors.

Veil, opposed the campaigning on behalf of the doctors, saying that

"justice had been done."

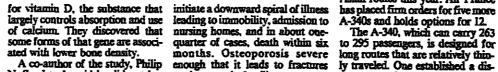
But the health minister, Simone

Act Up, a militant AIDS lobby,

said those infected by the disease as

N. Sambrook, said he did not be-lieve the findings "should be viewed as preordaining people to osteoporosis." But if a test can detect those with the low-density variants, he said, "it does open up the potential to target interventions. Osteoporosis is a major hazard of old age, especially for women. structs cells how to make receptors. Hip fractures in the elderly often after menopause.

back with only one stop. A spokesman for Air France said there would be no disruptions to service because the destroyed aircraft would be replaced by Boeing 747s in the company's fleet. The 747 has a higher passenger capacity and burns more fuel.



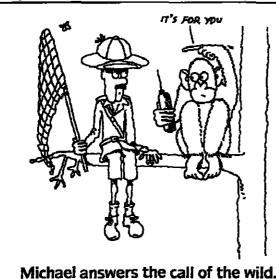
tance record last year by flying from Paris to New Zealand and osteoporosis include: urging young women at genetic risk of the condition to participate in vigorous, weight-bearing athletics during the period of bone growth; use of calci-um and possibly vitamin D supplements, and estrogen replacement

kered it.

Mr. Holst oversaw secret negotiations that led to the peace agree-ment signed in Washington in Sep-tember, under which I srael and the PLO agreed to limited Palestinian self-rule in the Gaza Strip and Jeri-

The accord has since run into

ing with Mr. Peres.
There is a good chance that a



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### Former Federal Prosecutor **Expects to Question Clintons**

was a small investment firm set up

to assist disadvantaged businesses.

accused Mr. Clinton and Mr. McDougal of pressuring him to make a fraudulent loans backed by

the Small Business Administration. The scope of the inquiry meant that Mr. Fiske would examine events during Mr. Clinton's years

as governor as well as matters after

he became president, including how the White House handled an

inquiry into the suicide last summer of Vincent W. Foster Jr., the

deputy White House counsel whose

files on Whitewater have been sub-

how long the investigation might

last, but he said would leave his

New York law firm Monday to

begin work and would "go flat out

until we are through."

Mr. Fiske said he planned to

base his operations in Little Rock,

at the "center of gravity" of the

White House aides said the Clin-

tons would cooperate with Mr.

Fiske, Asked about Mr. Fiske's m-

tention to interview the Clintons

under oath, the White House press

secretary, Dee Dee Myers, said:

Some Republican lawmakers

who were loudest in urging Mr.

with that when it comes."

the appointment.

Mr. Fiske was unable to estimate

poensed by federal prosecutors.

By David Johnston New York Times Service

WASHINGTON — Attorney The company's former owner, Da-General Janet Reno named Robert and Hale, who is facing trial for B. Fiske Jr., a former U.S. attorney trand in Little Rock, Arkansas, has B. Fiske Jr., a former U.S. attorney in New York, as an independent prosecutor on Thursday with a broad mandate for conducting a Bill Clinton's financial dealings in

Mr. Fiske, a Republican said the investigation would almost certainly require him to question the president and his wife, Hillary, under

"I think this is a very important assignment," Mr. Piske said. "I think this is important for the

Mr. Fiske said at a press conference that Ms. Reno had granted him a "very broad" charter to pursue "a complete, thorough and im-

His reputation as a coolly determined prosecutor, combined with the wide scope of his authority, suggested that the inquiry into the Clintons' real estate investments in their home state likely would remain a serious distraction for the administration for months.

Moreover, the timing of the announcement, on the first anniversary of the president's inauguration. seemed to underscore the crosswinds buffeting the White House: Mr. Clinton finds his popularity rising after a year in office even as

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he faces an inquiry into his past.

Mr. Fiske said he had set the parameters of the investigation himself, enabling him to delve into any relevant area related to Whitewater Land Development Corp., the Clintons' real estate investment firm.

He said this included Whitewater's relationship to Madison Guaranty Savings & Loan, a failed financial institution owned by James B. McDougal, the Clin-tons' business partner in Whitewater, and another company, Capital Management Services Inc. Capital Management Services

## Special Counsel Weather Adds to Woes of Homeless Quake Survivors



President Bill Clinton with water department workers, viewing damage in Northridge, California, the epicenter of the earthquakc.

#### Higher Marks for Economy, and Clinton "He hasn't done it yet. We'll deal

By Richard L. Berke New York Times Service

Chaton to appoint someone from NEW YORK - For the first outside the government to investitime since the onset of the recession gate the case seemed satisfied with in mid-1990, the number of Americans expressing confidence in the Representative Jim Leach of economy has caught up to those with negative views about it, aclowa said, "The attorney general has made a quality appointment, cording to the latest New York Ti-mes/CBS News Poll.

an individual of appropriate back-ground and integrity." The Senate Republican leader, Bob Dole of Kansas, seemed less

"I don't know Robert Fiske, but my reaction is to wait and see what happens," he said. "They've chosen someone. That's what we asked

new president since World War II.

Now Mr. Clinton's popularity compares favorably to his post-The shift has helped restore Pres-

ident Bill Clinton's public approval to the higher level he enjoyed when he first took office.

After one year of Mr. Clinton's presidency, 54 percent of the public like the way he is handling his job, a striking rebound from last summer, day and was no doubt influenced

when Americans were more critical by the fact that it coincided with of him than they had been of any Mr. Clinton's European trip. The president's higher marks

proval by 50 percent of the way he is handling foreign policy, up from Watergate predecessors on their 38 percent in November. first anniversaries in office. Ronald While 66 percent of the respon-dents approved of Mr. Clinton's Reagan had a 49 percent approval rating at this stage, while Jimmy Carter had 51 percent. George posture toward Russia, it is clear that many Americans do not be-Bush was at 76 percent, but that heve that he has been tested on was due in part to the public's rallyforeign matters. ing behind him after the American More Americans are concerned nvasion of Panama and the col-

about the economy at home than about international affairs, and 42 percent approve of the way Mr. Chaton is handling the economy, reflecting a slow but steady climb from 38 percent in November and

34 percent in September. After years in which most people

cent said it was either very bad or fairly bad.

The one-point difference is not significant, the poll, of 1,146 overall are owed partly to the apadults, had a margin of sampling error of plus or minus 3 percentage

> There were several other signs of the public's more positive economic mood: Seventy-six percent said for most people it was a good time to buy a house, up from 61 percent just before Mr. Clinton took office.

> There has been a marked decline in the number of Americans who say they believe someone in their family will be out of work and looking for a job in the next year; those fears have receded to 21 percent, from 40 percent a year ago.

And in a particularly optimistic indicator, 31 percent said the econthe poll found that 50 percent omy was "getting better," sharply viewed the economy as either very up from 19 percent in November viewed the economy as either very good or fairly good, while 49 per- and 14 percent in September.

night and rain on the way lent ur- respiratory ailments. gency on Thursday to efforts to Rain was expected by Saturday find shelter for the tens of thou-night. Storms could also wreak fursands of people driven from their homes by the earthquake.

"We need to get those people out," said a spokeswoman for the Recreation and Parks Department. 'It's unbealthy out there.

About 20,000 people were camping in the city's parks, said the spokeswoman, Jackie Tatum. Many more slept in county parks as the overnight temperature dipped into the mid-40s Fahrenheit.

on Thursday and announced a five-gency Management Agency, began day extension, until Jan. 25, of 100 percent federal financing for emergency services in the state. The actions were in addition to the \$140 million in aid that Mr. Clinton made available Wednesday for

A White House statement said the \$100 million advance would come from an emergency fund and would be used "for all repairs to local, city and state infrastructure and facilities."

Thousands of Los Angeles-area commuters rose hours before dawn on Thursday to get an early jump on their morning drive. They succeeded in a way: They were the first

to be stuck in traffic. Cars lined up for miles in severe traffic jams as motorists detoured around wrecked sections of the sprawling freeway system. Fog

complicated the problems as some motorists dodged frightened, stray animals that ran onto highways.

Commutes that normally take 90 minutes were lasting up to six hours. Highway repairs were ex-

pected to take up to 18 months. Getting people out of encamp ments and makeshift quarters in their own front yards and into more more permanent shelter is a top priority, said Henry G. Cisneros, the U.S. secretary of Housing

and Urban Development. "We're finding more housing was damaged than we thought," he said in an interview with ABC-TV from the San Fernando Valley.

"When you fly over it you really can't see the problem. But then you get down on the road or in front of the house and you see that it's fall-en off its foundation and it is completely unsafe and is going to have to be demolished."

Temperatures dropped to the mid-40s Fahrenheit (from 6 to 8 degrees centigrade) on Wednesday night and the humidity stood at 90 percent, prompting doctors and aid

Compiled by Our Staff From Dispatches workers to worry that the very old LOS ANGELES — A chilly and the very young would suffer

ther havoc with the region's crumbled freeway system and with dam aged homes and businesses.

The sheriff's department said the death toll had risen to 51, based on the latest report from the coroner's office. The toll from the earthquake also includes 4,800 injured and up to \$30 billion in damage.

Earthquake victims swamped federal disaster centers on Thurs-In Washington, President Bill day with pleas for emergency aid Clinton gave California a \$100 million advance for earthquake repair ordinating body, the Federal Emeropening 11 centers to offer onestop assistance for low-interest loans, housing, or counseling,

Many grocery stores were still closed, with canned goods and other food strewn over floors,

Residents flooded consumer hot lines with reports of price gouging, complaining of merchants charging as much as \$65 for pizza and \$10 for a gallon (3.7 liters) of milk.

Not even Hollywood was spared as celebrities such as Elizabeth Taylor, Carroll O'Connor and Jerry Van Dyke suffered damage to

(Rewers, AP)

#### Still Ticking: The 'Big One'

PASADENA, California -Los Angeles residents, still reeling from Monday's 6.6magnitude earthquake, are growing panicky that the much-seared "Big One" is coming. Scientists say they have good reason to be afraid.

"The chances are about 30 percent over the next 30 years," said Kerry Sieh, a geologist at the California Institute of Technology. And the odds will increase as time goes by, he warned.

The "Big One" is the longforecast earthquake expected to have a magnitude of 8.0 or more on the Richter scale. A 8.0 quake could cause tremendous damage; it would be 40 times more powerful than Monday's temblor. The 1906 quake that devastated San Francisco has been put at 8.3.

#### POLITICAL NOTES

Taking a Byte Out of Red Tape

WAZHINGTON - By the end of the decade, a giant nationwide computer system will electronically pay nearly all of the 1 billion bills that Medicare health instruce outon buts that Medicare health insurance for elderly and disabled Americans covers each year. Reneficiaries of the governmental program will only have to hand their Medicare card to their doctors, hospitals, laboratories or nursing homes to make sure their bills

Once a patient's identification fumber is punched into a terminal at a hospital or doctor's office, the computer will compute how much Medicare owes, electronically transfer that amount to the doctor's or bospatal's bank account, calculate how much an individual's supplemental insurance policy owes, and automatically bill for that. If the Medicare beneficiary has no supplemental insurance, the government computer will bill the individual for whatever is owed.

That seemingly smooth procedure was outlined by the secretary of health and human

services. Donna E. Shalala, and the health care financing administrator, Bruce C. Vla-deck, who assignment a \$19 million contract awarded to GTE Government Systems Corp. Charles Hill, the secretary of state was starof Chantilly, Virginia, to design the new sys-tem and phase it in from 1996 to 1998. (WP) tled to learn of how deeply Mr. Bush was involved in the affair. (LAT)

Spicy Comments From Shuitz

WASHINGTON -- George P. Shultz, secretary of state during the Reagan administra-tion, considered Vice President George Bush a "superficial" politician who was "up to his ears" in the Iran-contra scandal. He dismissed Casper W. Weinberger, then the secretary of delense, as "either stupid or dishonest." And Mr. Smiltz himself knew more about President Ronald Reagan's secret arms sales to Iran than he later admitted to Congress, according to the independent counsel

on the Iran-contra affair, Lawrence E. Walsh. While containing no major new revelations about the scandal involving secret arms sales to Iran, Mr. Walsh's final report, made public this week, did include some startlingly salty

excerpts from the notes of Mr. Shultz's top According to the notes of one aide, M.

Quote/Unquote

Representative Lee H. Hamilton, Democrat of Indiana, on Bobby Ray Inman's news conference, at which he withdrew his nomination to be defense secretary: "Ordinarily, if a person is rejecting a position, he comes out and says, Thank you, Mr. President, it has been an honor, but I've thought about it and reject the nomination for the following reasons.' One, two three. Then you sit down and it's over with. Inman's news conference was extraordinary, one of the most amazing events I've seen in Washington, a stream of consciousness that confirmed the fact that he was not going to be comfortable in the job. And if he was not going to be comfortable, he was not going to be a good secretary." (NYT)

#### Away From Politics

· Lorena Bobbitt ent off her husband's penis in "a calculated and malicious act of revenge" for an abusive marriage, the prosecutor said in closing arguments at her trial in Manassas, Virginia. The defense countered that she had Virginia. The defense countered that she had been under extreme stress when she attacked John Wayne Bobbitt. "This girl was crumbling," said Mrs. Robbitt's attorney, Blair Howard. "She was falling apart." The prosecutor, Mary Grace O'Brien, conceded the Robbitts had a violent marriage, but said it was not the "reign of terror" depicted by the defense. • The constitutionality of the military justice system has been unheld by the U.S. Supreme Court, which unaminously rejected arguments that judges were subject to improper influence by the military superiors who select them.

 A child or teenager is killed by gunfire every two hours in the United States, the Children's Defense Fund said. It called for stronger regulation of the sale, manufacture and possession of nonsporting firentms.

Three children, ages 4, 5 and 6, caught trying to swipe doughnais had been left home alone in Chicago with nothing to eat, the police said. Caught shoplifting, they told the store clerk they were lungry. The clerk let

them go. A neighbor child learned about the incident and told a parent, who called the police. The parents, Sandra Brandon, 26, and Elvie Holmes, 27, were charged with child neglect. The children were placed in state

custody.

• Rodney King, whose beating by police officers led to the 1992 Los Angeles riots, was put on three years probation and ordered to pay \$1,438 in fines and court costs after a nocontest plea to a dranken driving charge.

The fife expectancy for men in New York

City has declined for the first time in a century
because of AIDS, state officials said. It went
from 68.9 years in 1981 to 68.6 years in 1991.

## Rebels Caught Mexico Army Unprepared

By Tod Robberson Washington Post Service
MEXICO CITY — The unexpected rebellion by Indian peasants this month forced the Mexican military to abandon its traditional lowprofile and wage war through the jungles of southern Mexico, a job military experts say it was ill-pre-pared, underfunded and poorly

equipped to take on. The ability of Zapatista National Liberation Army rebels to seize four towns and several villages on Jan. 1, and hold them for 24 hours without challenge from the army, not only represented an embarrass ment for the Mexican military and civilian leadership but also suggested a failure of their intelligence apparatus, military experts said.

and providing welfare services and counterinsurgency, according to attack anybody, so why would any-foreign analysis.

While theoretically they are combat-ready, in reality they really have no experience in the kind of compar they re seeing in the because of year and holidays. By Repartiless of the reasons for the said Roderic A. Camp, a Tulane because of year and holidays. By Repartiless of the reasons for the University political scientist and timing the uprising for the predawn army's slow reaction, analysts said,

can military.

He said the army's only previous

counterinsurgency experience was during a small peasant uprising in the central state of Guerrero in the 1970s. Aside from a few generals who may have witnessed that fighting as junior officers, the army has not known direct combat.

The average soldier's experience is more likely to have been in providing disaster relief or refurbishing dilapidated public facilities. Of the 105,000 soldiers on active duty, to hold San Cristobal de las Casas only 25,000 are assigned to fighting drug traffickers, which military analysts say is the closest a Mexican soldier normally comes to combat. Modern Mexico "has never had

to fear or prepare extensively for city was without a military preswar against a hostile foreign ene cace for several hours until a small As a result, Mexico is likely to my, basically because it has a very army unit moved into the central witness an overhaul of the military conciliatory foreign policy," said a command structure and mission, with the army withdrawing from its lyst. They put very little emphasis roles of fighting drug traffickers on offensive operations and most of it on defensive training because instead putting a new locus on their attitude is. We would never

> The army is believed to have had fewer than 4,000 troops in Chiapas at the time of the Zapatista uprising with many of them on leave

author of a 1992 book on the Mend-can military.

He said the army's only previous bours of New Year's Day, the Za-patistas caught the military at its weakest moment, experts said. weakest moment, experts said.

Most of the Zapatista fighters and levels of funding encountered by journalists in Chia-

pas appeared to be Mayan peasants who said they were lighting against discrimination, poverty and years of government neglect. Govern-ment officials said the rebel leadership, however, appeared to be non-Indian, educated and well-versed in guerrilla warfare.

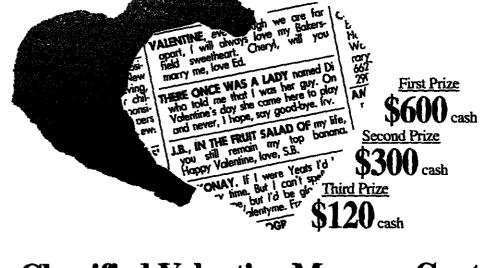
Fewer than 200 rebels were able - which with 90,000 people is the state's second-largest city - for 24 hours unchallenged by the army.
When they withdrew to sur-

rounding mountains on Jan. 2, the plaza in the late afternoon. On Jan. 3, paratroops began efforts to root the rebels out of other urban cen-

At an army battalion headquar-ters less than 10 miles (16 kilometers) from San Cristobal, troops came under steady rebei attack for eight straight days, limiting their ability to redeploy and engage the Zapatistas in the heavily wooded

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### **Classified Valentine Message Contest**

Every year on February 14th, more and more people use the Trib's classified section to send a greeting to the Valentine of their choice and some of them get pretty creative.

This inspired us to have some fun with our readers by launching a contest for the most original classified Valentine. Here's how it works. Print your classified message on the form below-minimum 3 lines-and mail it to your nearest IHT office together with your remittance or your credit card reference. Your ad will run on

Valentine's day Monday, February 14th and that evening the jury will meet to select the winners. The results will be published in the IHT'S edition of Monday, February 21st.

So have some fun with us, wherever you may be. Get your creative juices flowing and send in your entry today.

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### As Asia Navies Grow, Fears of Broader Arms Race Mount

By Michael Richardson

International Herald Tribune SINGAPORE — A major naval buildup in East Asia, a result of political rivalries, offshore territorial disputes and uncertainty about the future power balance in the region, threatens to touch off a broader arms race that will be difficult to halt and could lead to conflict, analysts said Thursday.

A report by The New York Times that North Korea has begun purchasing 40 attack submarines from Russia's Pacific Fleet points to one of the main factors fueling the buildup — the ready availability of weapons as major suppliers compete for slices of the Asian arms market.

Many of the Russian diesel submarines being transferred to North Korea are 20 to 30 years old, and most reports say they are to be cut up for scrap. But experts say they could be used as sources of spare parts for North Korea's existing fleet of 24 submarines.

The development that causes most concern in the Asia-Pacific region is the acquisition — particularly by China, Japan, Taiwan and South Korea — of modern, long-range naval might that could be deployed for offensive as well as defensive purposes.

The earlier emphasis on ground forces oriented to internal security and border protection throughout

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much of the region has been replaced by a focus on us now a researcher at the East-West Center in Hawaii, that the end of the Cold War made security in Asia modern naval and air forces to support new economic and security interests and to project national influence," said Paul Dibb, head of the Strategic and Defense Studies Center at the Australian National

University in Canberra. He said that East Asia's widespread economic prosperity would enable real growth in military spending

#### **NEWS ANALYSIS**

and the introduction of more high-technology military

equipment to continue.

Mr. Dibb said that controlling the spread of advanced conventional weapons in North Asia --- where there are entrenched animosities or suspicions between North and South Korea, China and Taiwan, China and Japan, and Japan and Korea — would be "very difficult." He added that "the strategic consequences of unrestricted sales could prove highly

The cutback in the size of the U.S. Navy to save money following the end of the Cold War is contributing to the expansion of Asian naval power. Joseph R. Morgan, a retired U.S. navy captain who

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tations to the contrary."

And it is for that reason, he said, that China sees a power vacuum which it feels it can "very readily" fill. He said that China had built up its fleet of destroyers, frigates and other major surface vessels to 59 in

1993, from 27 in 1981. from 35, Japan's to 63 from 48 and South Korea's to

According to the International Institute for Strate-Studies in London, China had 45 submarines in 1993, Japan 14, Taiwan 4 and South Kores one. The institute said that "major naval orders" had been placed or were being planned by Australia, Indonesia, Japan, Malaysia, South Korea, Taiwan and

Thailand. Although the main focus of concern in the arms buildup is Northeast Asia, many countries in Southeast Asia, fearful of larger regional powers, are also buying advanced missile-equipped ships to protect trade routes and maritime interests such as oil and gas in the South China Sea region and this does not augur

Najib Razak, the Malaysian defense minister, said Singh said.

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said that America was being viewed as a country that "fluid and impredictable." Countries such as Malaysia was diminishing its role in East Asia, "despite protes- with outdated military equipment must upgrade their capability "to prepare for the worst scenario." he added

Mr. Dibb said that even smaller East Asian countries could afford to buy modern ships, submarines and aircraft armed with missiles.

"This trend will accelerate as the U.S. Britain. In the same period, Taiwan's fleet expanded to 57 France, Germany and Italy compete with each other, and with Russia and China, for a share of the Incrative Asian arms market, "he said.

Bilveer Singh, a senior lecturer in political science at the National University of Singapore, said China already had the third largest submarine fleet in the world and was transforming its surface fleet into a formidable oceangoing navy. Many countries in Southeast Asia fear that China

will use its naval, air and amphibious power to enforce its claims to sovereignty over the disputed Spratly Islands and virtually the whole of the South China

well for the peace and stability of the region," Mr.

### **40 Russian Submarines** Harmless, Experts Say

**эстар.**"

TOKYO - The 40 submarines sold to North Korea by Russia present little threat to the Korean Peninsula and the Pacific diplomats said Thursday.

"If these submarines are supplied without their weapons, they represent virtually no danger," an Asian diplomat who specializes in North Korea said. They are old and fit for the scrapyard.

The diesel-powered submarines, built between 1961 and 1968, have been stripped of their armament and are in such poor condition that they no longer have any military use, according to the Russian Navy.

A Western military expert said that the submarines were completely out of date. "They have dreadful radar and sonar signatures." which make them easy to track down and destroy, he said.

A New York Times article on Thursday said North Korea had embarked on the purchase of 40 submarines, via a small Japanese firm, Toen Trading Company, in a deal estimated to be worth \$8 million. It quoted American officials as speculating that the deal had

#### Georgian Leader in France

PARIS - President Edward A. Shevardnadze of Georgia arrived in France on Thursday for a two-day visit during which he will sign a treaty of friendship and cooperation, French officials said.

been concluded between free-lancing North Korean and Russian mil-

The sale caused nervousness in South Korea, whose Foreign Ministry has expressed concern to Moscow that the submarines could be used for "something other than

Around Asia

#### **ASIAN** Leaders of the Philippine **TOPICS**

Rickshaw Goes Back

It is time, Indian government

engineers say, to design a better cycle rickshaw. The Washing-ton Post reports from New Del-

hi. Today's human-powered ve-

hicles are unstable, unsafe and

uncomfortable. They are heavy and difficult to pedal, with a

poor center of gravity that

makes it too easy to tip over and

a hard seat that jars the driver

when bumping over potholes.

real drudgery," said Ashok Raj, one of the study

by the New Delhi-based Center

for Science Technology and En-

vironmental Policy Studies.

The design of the cycle rick-shaw has evolved in a piecemeal

way," with no standardization.

cle rickshaw," said Dilip Singh,

who has been renting rickshaws

to drivers for 27 of his 69 years.

Just look at this vehicle. It is

beautiful. When you sit on it,

there's a charm to it, it's differ-

Shera Khan, who pedals a

rickshaw to support his six chil-

dren, does not see the chann.
"All the other vehicles on the

road today run on petrol," he

said. "My nickshaw runs on my

ent"

"Nothing can replace the cy-

"Plying a cycle nickshaw is

To Drawing Board

House of Representatives are pressing for a single-chamber ceislature, on grounds that two chambers delay vital legislation. Senators call it a move by President Fidel V. Ramos to consolidate power. The Philippines revived its U.S.-style Congress in 1987, one year after President Ferdinand E. Marcos fled the country. Mr. Marcos had abolished the two-chamber system in 1972, when he declared martial law, and replaced it with a single-chamber National Assembly.

China's booming southern province of Guangdong has slapped a 3 percent levy, nicknamed a "vulgarity tax," on karaoke clubs, dance halls and pop-music concerts to subsidize symphony orchestras, folkloric groups; stage plays and opera,

The sharp string of a flying kite slashed the throat of a passing motorcyclist and killed him, United News of India said. R. C. Sanal, an irrigation engineer, was driving in Orissa state when the freak accident occurred, United News of India said. In India, war games with kites are a popular sport. Enthusiasts often put paste mixed with glass dust on the string to increase the sharpness and cut the string of rival kites. Some kite-fliers have sliced off their fingers in accidents.

Arthur Higbee

### Hosokawa Reform Plan Stays Alive

#### 18-to-16 Vote in Committee Sets Stage for Showdown

By T. R. Reid

Washington Part Service
TOKYO — With barely a vote to spare, Prime Minister Motihiro Hosokawa won approval of his political reform plan in a key com tee on Thursday, setting up a final floor vote that could determine Mr. Hosokawa's political future.

If the prime minister can now get his far-reaching legislative package through the full upper house of Japan's Diet, or parliament, he will have fulfilled his primary promise to the voters in last summer's elections, and his coalition government

will probably be assured a long life. If the upper house rejects the plan, Mr. Hosokawa may be forced to dissolve his government and call a general election. And this just three weeks before the prime minis-sokawa's coalition government and noon, but further negotiations on ter is due at the White House for a the opposition broke down late the bills could delay things until summit meeting on trade disputes with the United States.

Furious negotiations were reportedly under way Thursday, as the upper house.

supporters and opponents of the ms likely to be decided by a tiny

As several Diet members complained on Thursday, this kind of individualized deal-making with reluctant lawmakers is highly unorthodox in Japan. In a group-orient-ed society that prefers to settle things by consensus, it is generally considered preferable to negotiate ise that all sides can a compros

But so much is at stake in Mr. Hosokawa's big electoral-law package that compromise has proven impossible so far. The last effort to strike a deal between Mr. Ho-Wednesday, setting the stage for next week, the tight vote Thursday in the special Political Reform Committee of

The committee was split, 17 to legislative package bargained for 17. between members affiliated every last vote in a contest that with the coalition government and opposition members. But when the measure came up for committee approval Thursday morning, one member of the chief opposition party stunned both sides by voting in favor of Mr. Hosokawa's package. With that, the bills got out of committee by an 18-to-16 margin.

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Mile in Longs

The rebel voter, Tomoyuki Hoshino; said he had broken with his own Liberal Democratic Party because it had engaged in stalling tactics that he could not tolerate. With committee approval behind him, Mr. Hosokawa said he wanted a quick floor vote in the upper house. A vote has been tentatively scheduled for Friday after-

The reform package was an proved by the lower House in November.

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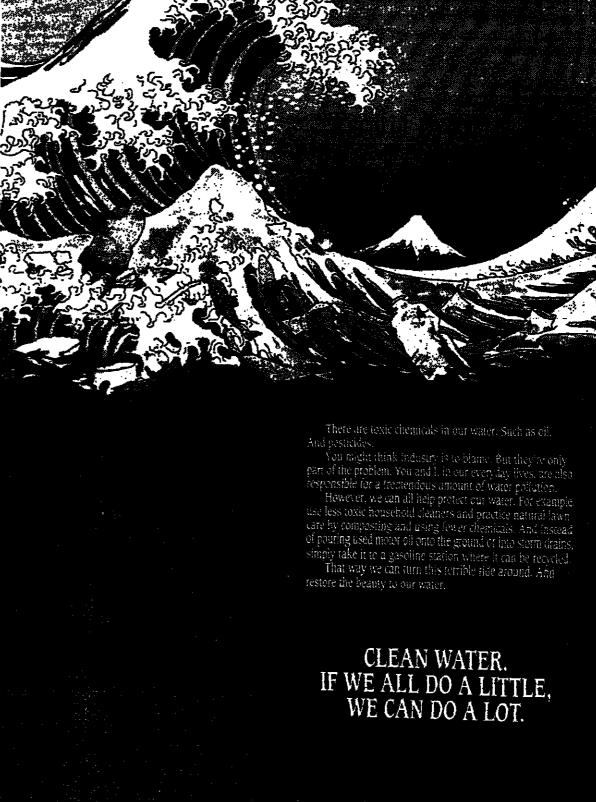
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### Nunn Turns Down Defense Job, So the Search Goes On

A STATE OF THE STA

The state of the s

By Eric Schmitt

New York Times Service

WASHINGTON — The White House asked Senator Sam Nunn if he would take the job of defense secretary but he refused, administration officials say. Bobby Ray Imman, who was nominated for the post by the president a month ago, formally withdrew as a candidate Tuesday, but White House officials said they were given a hint of the decision last week.

The offer to Mr. Num, President Bill Clinton's chief nemesis on military issues, reveals how urgent the White House feels it is 10 find a new defense secretary of unquestioned stature with the Pentagon

Mr. Nunn, a conservative Georgia Democrat who heads the Armed Services Committee, led the successful effort to roll back Mr. Clinton's pledge to allow homosexuals in the military in one of the most embarrassing episodes of the administration's early days.

He also has been a leading voice warning that the administration's proposed military budgets may not fully finance the government's new fighting strategy and could utimately crode the Pentagon's military

Continued from Page 1

call that same culture "cannibal-

"Just watch — that ain't going stop me," Mr. Carville replied. "I

can get my own table at the Palm and bash Washington from down-

town. Since when does a slight de-

gree of hypocrisy stop me from

doing anything?"
All of Washington, including the

White House, was amazed and be-

fuddled by Mr. Inman's appear-

of watching a downhill racer," said

a White House official. "We were

Mr. Clinton's advisers were

thunderstruck when they watched

Mr. Inman on Tuesday, seeing what one aide described as "a

Perot-like quality" and "a spook who sees conspiracies everywhere."

House he was going to talk about a new McCarthyism," and he had been warned that this might stir up

a horner's nest. But the White

House did not order him not to use

that phrase, because officials were

more concerned with persuading

him not to criticize the president

than persuading him not to criticize the Washington culture.

White House officials felt that

Mr. Inman was blaming the Wash-

ington culture for his own mistake

in judgment in accepting the job. "He hadn't judged where his own

head was, his wife didn't want him

to do it, there was a lot of stress,

and he just wanted to get out," an

relieved that the Bobby Imman they

saw on television was no longer

part of their team, they were hop-

Mr. Inman had told the White-

"It was the political equivalent

for real outsiders?

the White House he could serve the country better in the Senate, Pentagon officials said. Senate officials also said Mr. Nunn was rejuctant to

give up his independence and become a subordinate to Mr. Clinton.

The idea of offering the job to Mr. Nunn was strongly supported by Thomas F. (Mack) McLarty, the White House chief of staff, and David Gergen, a senior White House adviser, as well as other White House aides, administration officials said Wednesday. A senior White House official said, "You reach out to Sam Nunn for his expertise because he has the most

knowledge of defense issues of anyone in the party." In a brief telephone interview, Mr. Nunn said: "I don't want to talk about the defense thing. I've never been interested."

With Mr. Nunn out of the picture, the administration is reviewing up to 10 possible candidates, including William I. Perry, the deputy defense secretary, and Warren B. Rudman, a former Republican senator from New Hampshire. Associates of Mr. Inman's said that he had recommended Mr. Perry.

Treasury Secretary Lloyd Bentsen said Thursday fectiveness.

that he wanted to remain in his current post and had
Mr. Nunn considered the offer but ultimately told not been approached by Mr. Clinton about Pentagon

Other candidates include Norman R. Augustine. chief executive of Martin Marietta Corp., and John A. Young, a retired head of Hewlett-Packard Co.

■ The 3d Time Around

Ann Devroy and Barton Gellman of The Washington Post reported from Washington:
President Clinton opened his second year in office

Thursday the same way he began his first: missing a senior cabinet officer after an embarrassing flap and deep into a search for a quick replacement. Administration officials said Mr. Clinton had not

interviewed any candidates for what will be his third choice for secretary of defense. The withdrawal of Bobby Ray Imman as the nominee to replace Les Aspin has resurrected the original

candidate list, officials said. One official said of that list: "We really have one. The problem is, people keep adding to it, or taking names off of it. We are not that

Another official noted, in a swipe at Mr. Imman. "This time, the president is going to select someone he

job, Reuters reported from Beijing. Some press reports has a good comfort level with." Mr. Imman had exhad suggested that Mr. Bentsen was being considered.] plained on the day he was nominated that he had plained on the day he was nominated that he had voted for George Bush and had taken some time to reach a good comfort level with Mr. Clinton.

Mr. McLarty is heading the selection process, with Vice President Al Gore playing a major role, as he did in the selection of Mr. Inman. Despite advance notice that Mr. Inman was withdrawing, officials said the informal gathering together of names just began this past weekend and the formal sorting only this week. But that does not preclude an announcement by the end of the week, officials said.

Some senior Pentagon officials said that Mr. Inman's withdrawal actually simplified their task in the short run. Much of the senior Pentagon administration, and its counterparts in the military services, is absorbed in preparation of the fiscal 1995 federal

"We put together a budget under Aspin's priorities." an official said. "If anything, we have less of a change than if Inmar, had come in in the middle."

Pentagon planners are now assuming that Mr. Aspin will remain in office long enough to defend the budget in Congress.

#### RATES: Europe Debates Anew

who believe in easing monetary policy to spur growth. The German central bank, worried that precipijump in the money supply, has in turn been irritated by its critics.

In Paris, several business executives said there was ample room for French rate cuts, given an inflation rate that is 2 percent and heading toward zero and money-supply growth that was below its target last year. But the newly indepen-dent Bank of France, which will meet next week to discuss rates, is expected to continue supporting the strong-franc policy, reflecting the French central bank's fear that cutting rates ahead of the Bundesbank could weaken its own currency and damage its credibility in the

foreign exchange market.
"The big question." said a
knowledgeable banking source the guts to bring down rates withreturned to the narrow band within which it fluctuated against the mark before the breakdown last mechanism, should be strong enough to withstand a unilateral cut in French interest rates.

Brendan Brown, chief economist at Mitsubishi Finance in London, said the interest-rate debate now was similar to the one that took place last summer, ahead of the currency crisis.

They've frittered away the last six months, fighting a rear-guard action to keep the franc strong and recoup losses of reserves from last summer's crisis," he said. "The economic cost of that policy is proba-bly going to be delayed recovery for

In both France and Germany, the speed with which interest rates again. come down could have important political implications as well: Hel-mut Kohl, the German chancellor, faces a tough re-election campaign this year, in large part because of the poor state of the economy; and Prime Minister Edouard Balladur, who is positioning himself for a bid for the French presidency in 1995, will want to take credit for an economic recovery by year-end.

French officials said interest rates were discussed Wednesday during a ministerial meeting called by Mr. Balladur to discuss the economy. The meeting ended with

Continued from Page 1 conomy would grow 1.4 percent this year, well above the private sector's current consensus forecast of 0.5 percent to 1.0 percent.

On Thursday, Edmond Alphantate moves on rates could weaken dery, the French finance minister, the Deutsche mark and cause a said that interest rates would fall throughout Europe this year and that this would contribute to a French economic recovery. But he sought carefully to avoid saying anything that could be interpreted as an attempt to influence the Bank of France. In a conversation, Mr. Alphandery limited himself to remarking, "When the franc is stable, this is a good condition for a down-

ward trend in interest rates. Since Mr. Balladur took office in March 1993, France's three-month interest rate has declined from 11.19 percent to 6.21 percent. But the German three-month rate is still lower, at 5.81 percent.

Ernest-Antoine Sellière, vice president of the French employers' knowledgeable banking source lederation, in an interview called who did not want to be identified. on the new monetary policy council "is will the Bank of France have of the Bank of France to "show a little courage" and "take action as out first waiting for the Bundes soon as they can." Mr. Selliere said bank?" He and others interviewed that around 60 percent of French contended that the franc, which has corporate debt is short-term and is largely held by smaller companies that are struggling to survive. Lucien Rebuffel, head of the

summer of the exchange-rate small-business federation said his organization had told Mr. Balladur of what it said was a need to cut rates and to provide subsidized credit lines from the Treasury.

Economists such as Robin Marshall at Chase Manhattan Bank in London contend that the franc is stable enough to justify rapid cuts. Yet, he said, the Bundesbank and the Bank of France might even be prepared "to run the risk of a double-dip recession" because of ex-

change-rate considerations.
"This is becoming a Europe-wide problem again," Mr. Marshall said, adding that corporate clients across Europe were fearful that the Bundesbank "has gone on hold

The issue of cutting French and German rates has implications that stretch across Europe, Italy and Spain each sell roughly 40 percent of their exports to Germany and France and are hurt by recession in these markets.

The British economy, meanwhile, has benefited from sharp rate cuts made since the pound left the exchange-rate mechanism in September 1992. The Bank of England's base lending rate has dropped from 10 percent to 5.5 percent in that period, and the slide in the pound's value at the same

#### BASH: Even Capital Insiders Do It nasty Washington culture would ism" and "McCarthyism," does resonate in the hinterlands. That that devalue Washington-bashing way, they said, the damage to Mr. way, they said, the damage to Mr. Clinton would be diminished. An official said that the White House was banking on the sense that many Americans now see "that things have gotten a little bit Although the Clinton crowd is fond of pushing the notion that anyone who tries to come here and do good gets "hammered," as Mr. Gergen put it, many historians view this as a political stratagem designed to win them cheap sympathy. They point out that presidents and their aides have always lived through large doses of criticism and messy democracy with checks and about Jefferson and Lincoln and FDR was far more scorching than what you see nowadays," said Michael Beschloss, a historian. Mr. Beschloss suggested that Mr. Inman's accusations and reactions proved the opposite point from the one he sought to make: that there had been too little public scrutiny "It was clear from the personality quirks we saw on display on sday, which many people think would disqualify him as secretary of defense, that the press scrutiny

A man in Buffalo, New York, clearing a path for his car and awaiting a tow truck, a scene repeated countless times across the country. participants saying the French

### French Boy Held

In Rail Accident

CREIL France - A 16-year-old hoy has been charged with causing a train crash in which four people were killed and four seriously in-

jured, the police said Thursday. The boy, whose name was not released, admitted placing a heavy piece of metal on the track at Saint-Leu-d'Esseren, about 50 kilometers north of Paris, on his way to school. It caused a local train to derail, throwing its locomotive into the path of an oncoming train. Four people, including three of the boy's schoolmates, were killed.

The police said that the boy put the metal on the track "to see what would happen," and that he expressed remorse over the accident.

Kohl-Clinton Summit Is Set Agence France-Presse

BONN - Chancellor Hehmut Kohl is to visit Washington on Jan. 30 and 31 for talks with President Bill Clinton, a government spokes-man announced Thursday.

#### Woman Joins The Ranks at Military School

ing that his arguments about the

that this is the nature of a loud.

Much of what was written

of the would-be defense secretary,

of Imman was not strong enough,

James Pinkerton, a Republican

the historian said.

vic down the pike."

not too much.

that this guy broke down confronting Bob Dole than if it had hap-

out of control here."

CHARLESTON, South Carolina - Shannon Faulk-ner on Thursday became the first woman to attend classes at The Citadel after the 151year-old military college lost an appeal to keep her out.

Ms. Fanlkner, 19, was greeted by the school's dean, Chifton Poole, who told her. "Let's go get an education."

Ms. Faulkner said that after her first class, a cadet came over and said a few words. He asked me how things were going and he wanted to let me know that not everyone here was against me," she said.

She sued the state-supported college last year, charging that the all-male admissions policy was unconstitutional. A lederal judge ruled she could attend classes, but not live in the barracks, while the lawsuit

### COLD: Penetrating Arctic Blast Has Americans Spinning Their Wheels OLD: Europe Frets Over Pensions

General Aidid or Slobodan Milose- to use kitty litter on icy sidewalks, how to save a computer from power surges when the blackout ends. In short, how to survive.

The least comforting explanation is this: A

ridge of high pressure on the West Coast is forcing Pacific winds north, across the polar region. The frigid air then blasts into the East and Midwest. Good to know. Alaska is relatively warm. But when will it end? Next week.

The United States is not Canada, where win-

Continued from Page 1

at the lowest possible tatiffs.

racy activists in 1989.

China to export products to the United States

That is for the president to decide," Mr. Bentsen said, after a day that included talks

with President Jiang Zemin and Deputy Prime

Minister Zhu Rougi, who is also governor of the

Mr. Bentsen said Mr. Zhu promised that

Beijing would intensify its efforts to enforce copyright laws, and in particular work to end

the widespread practice here of pirating Ameri-

can compact disks. On Friday, the Treasury secretary will preside over the reactivation of

the China-United States Joint Economic Com-

mittee, a forum the two countries have used to

iron out economic differences but which has been shut down since the crackdown on democ-

Mr. Bentsen said the prison labor issue was

was "one of the more significant" of the de-

mands laid down by Mr. Clinton in his execu-

tive order last June that stipulated the coudi-

Antigua

Australia

+ Austria

△Barbarlo

Belize (Hotel)

∕Beimuda

d from Page 1 ter, it seems, is a way of life and children go to how. They think they do. But they don't. They school even if it's minus 20 degrees Fahrenheit (minus 29 centigrade). Americans, by and large, are not used to this kind of hard freeze unless they call places like Buffalo, New York, and Duluth, Minnesota, home.

Americans are victims, too, of their addiction to the automobile. South of New York, the vast majority of East Coast residents are reduced to children in the wilderness when it comes to winter driving. Locks are frozen. Rear-wheel momentum up an icy hill? They don't know

CHINA: On Prison Labor Issue, Beijing Agrees to Allow U.S. Inspections

and trade before he would renew China's trade

U.S. customs officials and diplomats have

held negotiations on the issue with the Chinese

In 1992, the Bush administration and China

reached an agreement that allowed for U.S.

inspectors to visit Chinese prisons suspected of

producing products for export to the American

market. Last spring, the Chinese allowed U.S.

customs officers to visit two Chinese prisons,

after much haggling. But further access was

Last fall, the two countries began talks here

to revive the agreement and bring Beijing back

The new agreement calls for China to give

regular and timely reports when the United

States asks for information about the possible

use of prisoners at a specific prison that might

be suspected of making products for export.

The U.S. ambassador to China, J. Stapleton

status. American law prohibits importation of

prison-made goods.

into compliance.

peer in envy at the four-wheel-drive Jeep across the street.

The people who drive the plows are stuck, too, because they simply cannot plow ice this thick. Salt alone won't melt it. So sand is flying right and left.

Today, the New York City subways look

awfully good. If you can get to them. But the one silver lining is this: The daily crime rate has plummeted.

accord, the Red Star tea farm on China's south-

ern coast, was visited Thursday by a customs

said. "But the crux of the matter is whether we

can continue this level of compliance up to the

time when the president makes his decision in

But speaking of the trade status issue in

The International Committee of the Red

Cross said Thursday that it had completed a

first round of "positive" talks with the Chinese

government on possible visits to political pris-

oners, Agence France-Presse reported from

Beijing
This first structured meeting should allow

us to go farther with the talks," said Jean-Michel Monod. a Red Cross official. "We have

begun to identify the points where we agree and

general, Mr. Roy cautioned: "Nothing is done

yet. We are not prejudging the president's deci-sion halfway through the process."

■ Talks on Prisoner Visits

We are pleased where we stand," Mr. Roy

inspector.

as well with a population shift from rural regions to cramped urban areas where multiple children create space problems.

Until recently, Europe has been able to compensate by drawing in large numbers of young workers obs that white Europeans dis-

Social researchers say that what is often overlooked in the rush to close doors to foreigners, in response to unemployment, is that sayroll contributions of working immigrants are an important and health care of the native-born.

"Governments across Europe have been talking about the need to keep foreigners out, but they did not see beyond a political response to the rise of the far right," said Patrick Weil, an immigration specialist at a leading French research

Now, he said. Germany and France are starting to acknowledge that they will need hundreds of thousands of new immigrants in coming years to pay the pensions of their additional elderly citizens.

record levels in Western Europe. eigners were responsible for 10 perimmigrants often have been

The conservative French govern- of taxes and pension fund contriment of Prime Minister Edouard butions.

tion rules and vowed to step up deportations of undocumented

"When we have sent home sever al planeloads, even boatloads and trainloads, the world will get the message," said Charles Pasqua, from Turkey and North Africa who who as interior minister is in charge performed dirty and dangerous of carrying out the more restrictive immigration policy. "We will close our frontier.

Nonetheless, Mr. Pasqua has modified an earlier statement that France must move toward "zero immigration," declaring that up to 100,000 foreign workers a year will be needed to full jobs French worksource of funding for the pensions ers are unqualified or unwilling to

In addition. France has enacted new retirement laws that will stretch out the number of years the postwar generation will have to work to benefit from a pension system that is considered one of the most generous in the world.

In Germany, politicians are recognizing that the country will require substantial contributions from non-German employees to sustain expensive pension and wel-fare programs. Hans Ulrich Klose. a spokesman for the opposition So-As unemployment has soared to cial Democrats, said 2 million for cent of the national output and furnish an even greater proportion

### RUSSIA: Reformers Are Shut Out of Yeltsin's New Conservative Cabinet

Continued from Page 1

a market economy. Mr. Yeltsin was also said to be reluctant to name any new official, such as a new central bank chairman or prime minister, who would have to be confirmed by the new parliament, which is dominated by a loose Communist and ultranationalist opposition. As widely predicted, Alexander N. Shokhin,

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a centrist economist who broke with Mr. Gai-

protectionism during the December campaign, vas named economics minister.

But the most telling sign of the government's direction was the list of the most senior officials. The first deputy prime minister, Oleg N. Soskovets, 44, spent his life its metallurgy, rising from a Kazakhstan factory to run the national Committee for Metallurgy before Mr. Chernomyrdin named him a first deputy prime minister in April. At that time there were four first deputy prime ministers, but Mr. Soskovets is dar and called for slower reforms and more

the only one in the new government. The three deputy prime ministers in the new overnment include Alexander K. Zaveryukha, a socialist who runs agriculture and has de-manded much higher farming subsidies, and Yuri F. Yarov, 52, a chemical engineer who

worked his way from a job as a locksmith's apprentice to the head of his city's Communist Party Committee in 1976. He became a parliamentary deputy and deputy chairman of the Supreme Soviet before jumping to Mr. Chernomyrdin's side in December 1992.

tions the president wanted met on human rights Roy, said one of the five sites mentioned in the

Mr. Fyodorov's departure leaves only one well-known reformer of the Gaidar school, Privatization Minister Anatoli B. Chubais, who retains his rank of deputy prime minister, in a prominent position.

Mr. Chubais has said that the privatization

program is too important to abandon at its final ages, a position supported by Mr. Gaidar. Mr. Fyodorov said Thursday night: "Chubais, who remains, will try to avert catastrophe, but the situation will worsen."

**▲**Honduras

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KIEV — The Ukrainian parliament denounced President Leonid M. Kravchuk on Thursday over nudear arms and Russian nationalism in Crimea.

Deputies accused Mr. Kravchak of betraying national interests by signing an agreement with the pres idents of Russia and the United States to give up Ukraine's nuclear weapons. Some called for his impeachment, others for a referenfurn on the accord.

They also criticized him for fail-

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alist is poised to win.

Ukraine Deputies Accuse Kravchuk of Betrayal

In the end, the parliament simply exchange for security guarantees Ukraine, referred the disarmament pact to a and about \$1 billion in aid. Yuri K commission to determine whether November.

Denuties also amended the conoverrule acts by Crimean authorities violating Ukrainian law.

Radicals and nationalists took tire nation.

Peninsula, which a Russian nation-pact under which Ukraine promised to give up nuclear arms in

"We must have a referendum

ern Ukraine, said. "We must raise president, who grossly violated the constitution and humiliated the en-

**√**Thailand

ing to ban a presidential election in the floor to denounce Mr. Krav-Ukraine's autonomous Crimean chuk, who was not present, over a that the START-1 arms reduction treaty applied to only 42 percent of the 1,600 nuclear warheads in

Yuri Kostenko, the head of a commission examining the accord, it contradicted conditions imposed about the trilateral statement," said told journalists it did not comply on disarmament by parliament in Serbiy Holovaty, a legal expert, with parliament's demands and Mykhailo Shvaiko, from West- predicted it would be rejected.

A Russian nationalist. Yuri stitution to allow Mr. Kravchuk to the question of impeaching the Meshkov, easily won the first round of the Crimean election on Sunday and is expected to do well in a Jan. 30 runoff.

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### The Next Secretary

ing as nominee for secretary of defense, Bobby Ray Inman wrote a sad, puzzling end to a useful career in the navy and the intelligence agencies. There was no politician or commentator so contrarian as to believe his improbable parting charge of a conspiracy between Senator Robert Dole and our colleague, the columnist William Safire.

Mr. Inman and his critics are today experiencing a shared sense of release that he will not be in charge of the Pentagon. Strain had lingered from the day he appeared in the Rose Garden with Bill Clinton and asserted that he had had a hard time finding a "comfort level" with his new boss as commander in chief. His talk about his vote for George Bush and his need to be reassured about President Clinton was a jarring assertion of independence that lowered the comfort level of many observers.

There is no point in piling on. By withdraw- and should also have lowered the president's. The temptation for Mr. Clinton will be to rush toward an easily confirmable secretary who will be popular with the officer corps, defense intellectuals and weapons builders. But Mr. Clinton and the country need a secretary of defense who can both command respect and make the Pentagon uncomfortable with its old habits. That means being uncomfortable with discrimination, with wasteful weapons whose purpose disappeared with the Soviet Union, and with procurement practices that fail to make the best use of scarce resources. The new secretary must have minimal tolerance for strategies that do not address tomorrow's dangers and its opportunities in arms control, peacekeeping and transforming East bloc militaries. That will take a nominee of staying power and judgment.

-THE NEW YORK TIMES.

#### Overzealous but Useful

Instantly, the report from Lawrence Walsh, the Iran-contra counsel, became another log on the fire of controversy that raged during the seven years of his investigation of the Reagan administration's greatest embarrassment. The summary is certainly flawed by Mr. Walsh's readiness to characterize as crimes alleged acts by officials who were not tried or convicted of them. But there is value in his depiction of a major episode in which the American government moved out from under the control of law.

Mr. Walsh's impatience and anger are evident in this report. What seemed to stir him most was President George Bush's pardon of Caspar Weinberger, defense secretary under Mr. Reagan, which he believed prevented the independent counsel from going after Mr. Bush, who was vice president during the Irancontra affair, and others. Resistance to his prosecutorial exertions drove him from doggedness to zealotry, for which he was then criticized by the resisters, but not only by them. For he became an Ahab-like figure who drew a distracting spotlight to his own conduct rather than to the conduct of his prey.

Nevertheless, Iran-contra was not simply an instance of political combat between a Republican White House and a Democratic Congress. Nor was it just a battle over policy on the then inflammatory issues of reclaiming American hostages in Iran and, especially. supporting the contras in Nicaragua. In its most significant aspects, what came to be known as Iran-contra was an affront to constitutional government.

Blocked by law, parts of the Reagan admin-istration secretly and systematically violated the law and then attempted to conceal the traces. The dispute continues over just who in the administration's highest reaches did what and knew what. But it is fact, not speculation, that four officials were convicted and seven others pleaded guilty to the charges as brought; some of these had their convictions overturned on grounds that their testimony before Con-

gress might have been used against them.

It has to be understood that Mr. Walsh overreached his mandate to investigate Irancontra and to prosecute if necessary and to give a full account of the affair. But it is also necessary to note that he added to public knowledge of an episode of rogue government and in that way usefully raised the deterrent to future abuses of this kind. Notwithstanding his excesses, the 82-year-old Mr. Walsh, a lifelong Republican and a former federal judge, performed a service vindicating the appointment of a special prosecutor.

— THE WASHINGTON POST.

### In Haiti, Try Again

Sanctions on Haiti having produced no useful results so far, the United States is now considering whether to tighten them further. It is a bad idea. There are cases in which trade sanctions and blockades can be effective, but Haiti is not one of them. All the evidence indicates that the sanctions there are hurting the people whom the United States is trying to help and strengthening the military regime that it is trying to dislodge. Reports of real hunger and suffering among Haiti's poor are increasingly audible.

An iron logic now grips policy toward Haiti. Realistically, there are only two choices. The first is to invade Haiti and remove by force the soldiers who mutinied against the elected president, Jean-Bertrand Aristide, more country with great brutality and bloodshed ever since. The other choice is to begin to negotiate with the soldiers. That seems morally repugnant to many of Father Aristide's supporters, but it is better than the alternative.

Haiti has had previous experience with invasion and occupation. The United States sent in a force of marines in 1915 and kept them there for 19 years. No doubt in the 1990s the invading force would be multinational and would come bearing aid and the most benign purposes. But the historical memories in Haiti are too strong, and the overtones of colonialism would be too pervasive for even the best intentioned of invasions to succeed. It is always difficult for foreign troops to plant the tree of liberty in any country and establish a stable democratic government. It is far more likely that any Haitian politician - Father Aristide, for example - would be destroyed by dependence on foreign soldiers.

If invasion will not work, that leaves negotiations with the soldiers, bloody-handed though they are. President Aristide's aides say that he is now working to broaden his discussions in Haiti's politics. At a Miami meeting last weekend, he rallied a wide range of those go further to deal with the people who are not emocrats and who now hold power in Haiti. He is president of the country and cannot afford to indulge in the luxury of dealing only with his friends. It is quite true that the soldiers ignored their commitments in the previous deal with him, worked out last summer, and that they let it collapse. But conditions are deteriorating in Haiti. It is time to try again.

- THE WASHINGTON POST.

#### Other Comment

#### A Stick for Pyongyang

Imagine yourself Kim II Sung. If you were sitting in Pyongyang today, would you give up your nuclear program? Especially when the United States is now moving to agree to your offer of highly limited inspections and your long-stated demands that its annual Team Spirit joint military exercises with Seoul be d? Would all this make you more or

less likely to stray from your present course? That, unfortunately, is the problem with the American strategy. Although President Bill Clinton was initially applauded for taking a tough line, he has done little to back it up. The result is that in the more than 10 months since the North Koreans first announced their intention to withdraw from the Nuclear Nonproliferation Treaty, they have managed to buy time for whatever nuclear program they might be pursuing while having Washington and Scoul dangle ever more carrots their way.

Much now depends on the integrity of the International Atomic Energy Agency. Today the agency is under great pressure to agree to the North's offer of limited inspections of the seven suspected sites. What kind of madness would it be for the rest of the world to allow (the North Koreans) to decide what the agency will and will not be permitted to inspect? The sad fact is that the Kims today have no

and the second

incentive to give up their nuclear ambitions. Unfortunately, the Clinton administration has done little to create such an incentive, and its weakness elsewhere on the globe, from Bosnia to Somalia, is not likely to persuade the Kims otherwise.

In fairness to Mr. Clinton, he has not been helped much by the new Kim Young Sam administration in Seoul, which apparently beheves that no policy is better than any policy. But without clear signals from Washington that it has not ruled out a military solution, the Kims have no reason to back down.

#### - Far Eastern Economic Review (Hong Kong). No Breakthrough in Geneva

Anyone who expected President Bill Clinton's European tour to be crowned with a foreign policy triumph in Geneva will have been disappointed by the lack of results from the Clinton-Assad summit meeting, which merely confirmed the impression that the new administration has nothing to offer in the way of new initiatives to resolve the

Middle East conflict. Only the United States has the wherewithal to force the Israelis as well as the Arabs to make the concessions that alone can serve the cause of a genuine peace. But that chance was missed in Geneva.

- Neue Zürcher Zeitung (Zurich).



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### In Post-Breakup Debris, Nukes Are Just the Start

KIEV — One way or another, both President Leonid Kravchuk and local and foreign observers here are confident that Ukraine will carry out the agreement to get rid of its nuclear weapons that was signed with Presidents Bill Clinton and Boris Yeltsin in Moscow last week.

But it won't be easy. People here are convinced that Ukraine got a bad deal and that Washington was outplayed by Moscow in a negotiation they know little about, don't basically understand, and consider above all a demonstration of their weakness and helplessness in dealing with Russia. "Clinton was made into just a messenger boy for the Russians," a Ukrainian journalist said.

In an interview, Mr. Kravchuk avoided saying

clearly whether he will submit the agreement to the current, fractious, angry parliament, wait until a new one is elected in March, or just barge ahead on his own. He has the power to do that, and he does seem to understand as almost no one else here does how important dismantling the nuclear missiles is to Ukraine's difficult future and its relations with the United States and Europe.

He denies that there were any secret clauses

contradicting what Mr. Clinton's entourage said in Moscow. That seems to be right. The secrets are not about security or economic commitments, but technical details about how the warheads are made and their plutonium content. Since Russia will retain the same kind of weapons, it obviously does not want those details revealed. That is under-standable, and it is a shame that the White House has not made it clear, since the talk of "secret clauses" has created all kinds of suspicions.

It is a part of the whole messy issue, which was By Flora Lewis

allowed to get far more complicated and feverish than was necessary through obsession with secrecy and lack of clear explanation. Mr. Krawchuk never consulted or informed his main rival, Ivan Plyushch, chairman of the parliament and described as "by far the most powerful politicisn" in the country.

Some of the parallels with Russia are disturbing The elections are not likely to resolve anything but are expected to produce an even more difficult, indecisive legislature. As of now, nobody sees an alternative to Mr. Kravchuk, but, like Mr. Yeltsin, he is waffling on reforms which have barely begun,

while the country sinks in hyperinflation. "We don't have a Zhirinovsky here," an editor told me. "Ukrainians are conservative, tolerant, patient," he claimed. But neither do they have much in the way of constructive, reform-minded democrats. The democrats tend to be the most ardent, populist nationalists — and "national-ities," which is primarily a reference to the 12 million ethnic Russians in the total population of 53 million, is a big issue.

Mr. Kravchuk said his talks with Mr. Clinton here and in Moscow were almost entirely about economics. While he does not claim he got big promises, he has big expectations, and disappointment seems inevitable. The economy, which can deteriorate a lot more before there is a chance of turning it around, seriously appravates all the other troubles, so the outlook is gloomy.

One major reason the Ukrainians are so reluctant to give up the nuclear missiles they don't

control and can't think of using is that they feel it is the only reason the West has paid any attention to them. When the weapons are gone, they feel they will be left to wallow in their plight with little choice but to "crawl back to Moscow," in Vladimir Zhirinovsky's words.

It is partly their own fault. There has not been much real change here. Mr. Kravchuk is a stolid, old-style apparatchik, cantious and crafty, although he has learned a goot bit about dealing with West-erners. And it is partly the fault of the "Rossia first" policy that Washington is perceived to have imposed without much understanding or reflection.

However welcome it was to the West, the Soviet breakup has created many more headaches than is even yet understood, and they cannot be ignored without serious risk to Europe. Bosnia has magnified that risk, because it signals Western unwillingness to help keep the peace and insist on a balance. It is wrong to put fear of strengthening Russia. lest it lead to restoration of an oppressive empire, ahead of efforts to support its democratic transformation. But it is also wrong to neglect Eastern Europe and Soviet successor states like Ukraine, to the point where they feel abandoned by the West they want to join, for fear of offending Russia.

It cannot be an either/or choice if there is to be a chance of a healthy Europe, President Clinton tried to redress the perception during his trip, but it will take a much clearer U.S. policy supporting cooperative relations among Russia and its ex-dependents to avoid the twin traps. The nuclear missiles were just the first obstacle with Ukraine. Now the hard part begins.

• Flora Lewis:

### Italy After the Big Bang: New Constellations, Please

WASHINGTON — One extraordinary result of Italy's political turbulence has been the collapse of tions — capitalism and Catholicism, It was containment within a frontline the country's strongest and most anti-communism and liberalism, papopular party, the Christian Democrats were stronged and modernism. As the party crats. Remnants of the party, which had been a linchpin of the Western alliance, have even renamed themselves, much as the Communists of

Eastern Europe did after the fall of the Berlin Wall. The parallel is apt. For a half-century, the Christian Democratic Party stood at the core of one of the Cold War's most successful political systems, one engineered by Washing-ton and its allies to keep Italy's strong Communist Party at bay. Over time, Christian Democrats rivaled Com-

munist regimes to the east in terms of their monumental corruption and the longevity of their ruling class.
In the wreckage of the system, some Italians now refer to seven-time Prime Minister Giulio An-dreotti as their Erich Honecker. Once an all-powerful political fix-

investigation for ties to the Mafia.

ture, Mr. Andreotti is now under The Christian Democrats anchored Italy to a political middle ground with a mix of Italian tradi-

N EW YORK — Spud City.
Those hannting words began
to make me feel sorry for Tonya

Harding. Spud City is the mall food outlet where Miss Harding.

aiready 19 and a top figure skater, sold potatoes each afternoon to scrape up cash for her rink fees the

next morning.
Miss Harding will be back there

soon enough — or so goes the best-case scenario — if she avoids legal

culpability in the vile conspiracy

to maim Nancy Kerrigan. Even if

she is innocent of a crime, even if

she is allowed to compete in the

Winter Games, her career as a star in a fairy-tale sport is over.

A girl from the wrong side of the

tracks pursues the wrong dreams,

hangs out with the wrong crowd, does wrong, gets punished. It's a familiar 20th century American

morality tale, right out of a Theo-

dore Dreiser novel. And maybe the

late Mr. Dreiser could have found

in Miss Harding's story the glim-

This would-be ice princess mold-

ed her career from age 3 out of the

thin, frigid air of poverty, rootless-

ness and domestic violence. The

child of a night waitress and her

fifth husband, a semi-employed la-borer, Miss Harding had lived in

eight homes in six communities by

age 18. Her mother abused her psy-

said, physically, and so did the man

she married after she dropped out

of high school, Jeff Gilfooly, who

How this girl had the will against these odds to pursue her skaling obsession, and where that

was arrested on Wednesday.

ologically, and. Miss Harding

mer of an American tragedy.

broke apart, it sent shards flying to the extreme edges of the country's political universe. A landscape of po-

larization was left behind. The Communist Party, weakened the 30s and declared dead after the fall of the Berlin Wall, changed its name to the Democratic Party of the Left and has emerged as Italy's strongest national force. The fascist party, long marginalized and small, is making a vigorous comeback, particularly in Rome and Naples. The Northern League, a strong regionalist party, has developed almost out of nowhere, advocating a tax revolt against the central government and a federal system to separate the prosperous north

from the poorer south.

The United States helped build the First Republic after World War II with political and financial support. In 1948, Washington intervened with covert financial support for the Chris-tian Democrats. This effectively excluded from power the Communists, who had emerged strong from the war.

From the Ice Rink Into the Garbage

By Frank Rich

obsession came from, are any-

body's guess. But perhaps Miss

Harding gave the answer to report-

ers this month: "To be perfectly honest, what I'm really thinking

Not for the love of sport, not for

the beauty of ice dancing, but for the money: a passport out of pov-

erty, a liberation from her depen-

dence on an entourage, familial and otherwise, increasingly domi-

nated by creeps.

Given the ugliness of Miss Har-

ding's biography, what more at-tractive ideal could she possibly

Miss Kerrigan, Miss Harding dis-covered that her goal was unattain-

able and the contest on which she

had bet her entire life was rigged.

She could win on ice, but she never

won the expected prize, multi-

million-dollar contracts to endorse

products. Goodness as a skater, she

belatedly learned, had nothing to

As a Madison Avenue commod-

ity, Miss Harding had an image

problem that no triple axel could

overcome. She was not glamorous.

Her costumes recked of polyester.

Her choice of skating music was not "Swan Lake" but the theme from "Jurassic Park." She was known for

mannish habits: shooting pool, curs-

ing, repairing cars, shooting deer.

In an incredibly touching 1986 video, aired on "60 Minutes" last

Sunday, Miss Harding, then 15, not yet hooked up with Mr. Gillooly,

do with raking in the big bucks.

Yet well before the assault on

aspire to or even know about?

bout are dollar signs."

By Lucia Annunziata

rounded by smaller parties that shared in the power in order to maintain a national consensus. Despite a revolving-door succession of prime nuinisters, stability was maintained for 45 years. But the end of the Cold-War dissolved the ideological glue of this arrangement, and almost overnight the First Republic folded.

The financial reasons for maintain ine a national consensus also disintegrated. Demands for fiscal discipline from the new European Union meant an end to the excessive patronage, tax evasion, kickbacks and bribes that made for political contentment but drained government coffers.

Cracks in the system allowed a disaffected group of magistrates in Milan to start prosecuting the exten-sive corruption. The public responded with the kind of enthusiasm associated with the circus in ancient Rome, cheering every revelation of corruption made against formerly untouchable politicians.

The Northern League, the fascists

work ethic would erase that baggage.
"I don't mind being the underdog."

she said, "because once I skate and do my best, they'll know who I am." But as the exemplary Miss Kerri-

gan won contracts with Campbell's Soup and Reebok, Miss Harding

Soup and Recook, Mass raining got no endorsement contracts, even when doing her best. She instead fell into debt to meet her expenses, and slouched toward Spud City.

Now the bottom drops out.

"Maybe you can co-host a talk show with G. Gordon Liddy," is the advice offered to Miss Harding this week by Newsweek. A sports adver-

tising consultant summed up her value as a spokeswoman to Richard

Sandomir of The New York Times:

"She's got asthma and smokes in

public. That might not turn on any-body except Philip Morris." And there will always be a place for Miss Harding beside the Texas cheer-

leader mom on a Howard Stern

Chatting about the sordid Kerri-gan assault on television Sunday

morning, the patrician George Will

turned up his nose: "It doesn't mean a thing about America or the time in which we live."

As Tonya Harding condemned as white-trash lowlife, is tossed on-

ceremoniously into the garbage, it

is worth noting that before she sur-rounded herself with though, she played by rules as all-American as "Rocky." Imagine, if only for a mo-

ment, how she must have felt when

late in the game she learned that for her they did not apply.

The New York Times.

pay-per-view freak show.

Really?

and the former Communists parties on the outside of the First Republic — collected the votes of protest against the old regime.

a permanent realignment of Italian politics. From an institutional point of view, Italy is abandoning the multiparty system and moving from a proportional voting system to one in which two or maybe three parties will gain seats. Consensus government, formed by back-room dealings among party leaders, will be replaced by winner-take-all government created at the polls.

This change looks good on paper, but it will require a new mind set for Italians. The main question that tor-ments the public is not about extrem-ism but about the center. The center, with its tradition of patronage, not only has governed for a half-century but is deeply a part of the main traditions of the country. Can Italy sur-vive without a central force, or should another one emerge? Can the present extremes, on the right or the left, somehow become centrist? Or can the former, fragmented parties, even the Christian Democrats, regroup? The next round of elections will give

us at least some of the answers. The big bang has taken place, but the new constellations are not yet formed. The transition may be dangerous. Because of the uncertainties, Italy is experiencing high unemploy-ment, a currency in degeneration, public cynicism and the ever present threat of political and Mafia violence. Italy's experiment is West En-rope's first full-blown transition trom Cold War politics.

It is a revolution, but one carried out in the full light of democracy—and one that cannot be left to sink into chaos and instability.

The writer is Washington correspondent for the Italian newspaper Corriere della Sera. She contributed this com-ment to The Washington Post.

### A New Look At GATT's 'Triumph'

By Roy Denman

BRUSSELS — The deal on the Uruguay Round reached in Geneva last month was presented to the world as a great triumph, marred only by France hijacking the negotiations at the last moment and injecting a huge dose of protectionism. Was the deal really a triumph? Did the French really hijack the negotiations? And will the deal stick?

The answer to the first question is an unhesitating yes. The agreement was a turning point not only in world trade but in world politics.

The choice facing the world was stark and simple: to continue on the path followed since 1947 — the essablishment and steady improvement of world trade rules, and successive negotiations to reduce trade barriers; or to return to the 1930s' politics of trade wars and escalating protection-ism. The first path, followed over nearly half a century, led to an innearry nair a century, led to an increase in the volume of world exports by a factor of 12 and the greatest increase in prosperity ever. The second brought such misery and unemployment that the Germans voted Hitler into power.

Last month's achievement is renarkable for several reasons. The Uruguay Round settlement is wider in scope than any of its predecessors. The tariff cuts are deeper; agriculture and nontariff barriers are tackled more comprehensively; and for the first time rules for trade in services, a sector that counts for a fifth of world trade, have been agreed.
This very breadth made the negotia-

tion almost unmanageable. The timing had gone wrong in 1992, so that an outline deal was left twisting in the wind through not only an American but a French election. Amid wideual and political support for trade

liberalization had begun to crode.

Why did the French have so much to say? They always have. In 1967, at the end of the Kennedy Round of talks, Jean Rey of the EC Commission had to face down Charles de Gaulle. The end of the Tokyo Round in 1979 was marked by a battle royal between the Commission and the French. Last year, the provisional Blair House agreement on agriculture became a football in the French elections. But in no case were the French trying to wreck the negotiations, from which they were to benefit handsomely.

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Free trade feature less in their history than in the case of their northern neighbors. But mainly the French were simply defending their corner. They are better at this than anyone else. They have the finest educational system in the world, and a tradition of the best and the brightest entering government service.

They also operate in what is largely a vacuum. The British are in the dog-house because of their opposition to anything that remotely resembles Enropean integration. Other countries will fight on points of detail, but in general the French outgun them.

In revenge, most of the Anglo-Saxon press portrays Europe's Common Agricultural Policy as being the worst thing since the Black Death, the European Union as a protectionist monster, the French having horns and tails, the whole of Europe falling respectfully silent (until recently) before the muezzin-like cries of Prime Minister John Major, and the Americans free from any distorting trade practice or subsidies, veritable knights in shining armor. Fantasy is often a comfortable refuge.
Will the deal stick? It first needs to

be completed. And a formidable amount of negotiation remains. The shape, membership and work program of the new World Trade Organization need to be decided. Thousands of tar-iff positions in the schedules of more than 100 countries need to be fixed. Negotiations need to be continued in eas such as steel, aircraft subsidies and financial services.

And when the deal is completed the U.S. Congress has to approve it. GATT has always been about as pop-UALL has arways occur about as popular with Congress as a polecat. Congress threw out the International Trade Organization in 1947 and part of the Kennedy Round settlement of 1967. This time Congress will be far from keen to yield up the right, under U.S. trade law, for the United States to act unilaterally in trade disputes.

The danger lies in Congress insisting on certain points that would upset the balance of the deal. The Clin-

ton administration is optimistic, reckoning that with its victory on the North American Free Trade Agreement, protectionism took a beating. But there could still be a sting in the tail. As the old saying goes, the opera isn't over until the fat lady sits down. International Herald Tribune

### IN OUR PAGES: 100, 75 AND 50 YEARS AGO

#### 1894: For Ladies Only

LONDON -- Woman came into a further square foot of her rights yes-terday [Jan. 20] when another club devoted, exclusively to feminine membership was opened. That is the Tea and Shopping Club, 177 Regent-street, inaugurated with the object of providing for the comfort and convenience of ladies. Gentlemen may be admitted as guests, but will not be allowed to penetrate further than the first floor. It will be Adamless Eden above stairs. Some of the rules are a little amusing. No. 17 is aimed at a weakness of which the fair sex is not so characteristically guilty. That no member shall give money or a gratuity to any servent of the club."

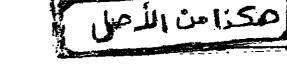
1919: A Jewish Exodus?

NEW YORK - A large emigration of Jews from America may be expect-

bor Congress. Many persons now living in New York will be anxious to return to their native lands, so as to help their relatives re-establish their homes, he says. The re-habilitation of Palestine was discussed. It is the general belief the Jewish Republic will be modeled after the United States, thus safeguarding the reli-gious rights of all the inhabitants.

#### 1944: Novgorod Freed LONDON — [From our New York edition:] The Red Army, in its new

northern offensive, captured yester-day [Jan. 20] the ancient city and enemy stronghold of Novgorod, raised to 44,000 the toll of the enemy in dead and captured and crushed forward steadily to engulf many scattered German units which now are being destroyed, Moscow announced last night in a communique. Two powerful forces were engaged in a huge muteracker operation which ed in the near future. This is the view inge unteracker operation which expressed by Mr. B. Rosenbinth, may trap 250,000 Germans southeast speaking before the First Jewah La. of Leningrad, dispatches said.



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OPINION

## With Inman's Sudden Flinch, the Pentagon Dodges a Bullet Just Keep Your Shoes On

Thus on the offensive during his day

in the spotlight, Mr. Inman almost succeeded in directing attention away

from his true reasons for quitting.

Then he ran into some hard questioning by Ted Koppel on ABC's "Night-line" and his cover proceeded to crumble before the nation's eyes.

Asked the source of what he called

"reports" of a sinister conspiracy to do him in, he was unable to answer

coherently; it was plain that the plot

existed only in his mind.

When Mr. Koppel pointed out the hypocrisy of complaining about "Mc-Carthyism" while dredging up a 1950s lawsuit and twisting it falsely into a damaging charge, Mr. Inman caved in completely. Retreating in the face of the facts, he retracted his smear and applicatived.

I accept the apology, admiral. My

Regarding "NATO Wastes An Oppor-tunity" (Opinion, Jan. 12):

In discussing the NATO decision not

to include former Soviet-bloc nations, Richard Perle says, "The crucial issue is

whether an alliance created to counter

the threat of a Warsaw Pact invasion of

Western Europe can survive ... now

that the Warsaw Pact is gone."
In fact, the North Atlantic Treaty

Organization predates the Warsaw Pact.

NATO was created in 1949; the Warsaw

Regarding "On Second Thought, Bozo, Just Call Me Mr. Buckley" (Meanwhile,

Quite understandably, William F. Buckley Jr. bemoans the disrespectful

informality and aggressive intimacy of

young people who call everyone by their first names. But then he blithely refers to

Come on now, Bill (oops! Mr. Buckley)

- surely the young woman, freekled or

not, was out of rompers. Surely, even as

an old-fashioned Southern gentleman,

you know that this kind of cute conde-

JOAN Z. SHORE.

Cap d'Antibes, France.

a female receptionist as "a freckled girl."

Sauce for the Gander

St-Nom-La-Bretèche, France.

BRAD WRIGHT.

friend and former target. Bert Lance, called on Wednesday with his own

NATO Came First

and apologized.

WASHINGTON — Why did Bobby Ray Inman, sailing toward casy Scanate confirmation as secretary Mr. Inman's self-pitying construct, magazine writer charged another with of defense, suddenly flinch and with-driven to self-destruction not by using some of his material about a draw his name? We do not yet know, a guilty conscience but by the meanbut I suspect it was not for the reason spirited denizens of the Washington given in the therapy session that was press corps. his departing news conference. He cited "r

And the second of the second o

Is one good pop by a columnist, himself—of scandalous collusion. In along with anticipated light flak the supposed conspiracy, Senator Bob about nanny-tax problems, enough to Dole would zap Mr. Inman if I would drive a smooth Washington operator pursue the Whitewater affair.

out of a cabinet post? (If he had been If Mr. Inman really believed the confirmed and North Korea said cockamamic notion that I needed

address questions being drawn up by dence of paranoia, the staff of the Senate Armed Services But I think Mr. Ir the staff of the Senate Armed Services But I think Mr. Inman is not crazy; Committee about defense-related that was the old disinformation spebusiness dealings exploiting his cialist in full manipulative mode,

intelligence service.

Another: He was rattled by the a newsy concoction.

That need for a smokescreen is also

That need for a smokescreen is also his longtime "source" on the staff of his reason for tossing the smear of the Senate Intelligence Committee, plagiarism at his main tormentor, helping to manipulate unsuspecting Calling a writer a plagiarist is like senators during Mr. Inman's last six calling a spook a mole; the charge, intelligence years.

Conducting the public self-destruction of his reputation, the embittered Deep in Mr. Inman's dossi admiral invoked the example of Vin- me is reference to a lawsuit 35 years cent Foster - another country boy, in ago, when I was a press agent. One

Shame on France

to Terrorism" (Jan. 13):

Regarding the editorial "Surrendering.

With striking ignominy, France has released two agents of the Iranian Islam-ic regime, wanted in Switzerland for the

marder of an opposition figure, to the .

lar and democratic France, founded on

government in Tehran. Once again secu-

the rights of man, has yielded to the blackmail of international terrorism.

an attempt to justify this violation of international law, hides behind the flat

and cynical explanation of "national in-terest." What "national interest" re-

quires that the French Republic stray so

As an oppositionist exiled in France,

Paris.

ALI KESHTGAR FARKHONDEH. is without any consequences.

Regarding "France Can't Kick Protectionist Habit" (Business/Finance Jan. Li)
The Banality of Death
by Reginald Dale:

toral imperialism (to resort to an over-used idiom). Most people I know are sick and tired of the trash, filth and

and as a man who values liberty, I can:

only react with anger. Shame on France!

Contrary to Mr. Dale's opinion, a

large number of Europeans have cheered France's victory over U.S. cul-

violence, not to mention stubidity.

the United States.

a lot of the stuff that comes out of

far from its democratic principles?

That's Entertainment?

The prime minister's spokesman, in

By William Safire

The second secon

He cited "reports" -- known only to

Boo!" would the Pentagon have sued some political incentive beyond my for terms?) Thanks, but no pundit normal journalistic lust to follow is that powerful.

One possibility: He did not want to Foster, that would indeed be evi-

once made, lingers. In this case, how-

Deep in Mr. Inman's dossier about

LETTERS TO THE EDITOR

We in Enrope are perfectly capable of

entertaining ourselves. In fact, we do not

feel the need to be constantly enter-

tained, the way Americans do, thank

God. They can't stand the sound of

After 18 years' residence in France, I

have come to the conclusion that French politicians are physically afraid of the population (I'm not talking here about the healthy respect that elected officials

in a democracy should have for their

voters). They sense that if they push

things too far, people will take to the streets and dust off the guillotines.

. I am not aware of any other demo-

cratic country in which people can en-

gage in criminal acts (burning livestock trucks or warehouses, blocking freeways

and airport runways) and get away with

Your front-page photo Jan. 12 of the elderly woman lying dead by a Sarajevo school points out the true horror — and

the banality - of the Bosnian conflict.

JOSEPH J. SMALLHOOVER.

GUENTER KLOEPPER.

Grenoble, France.

C. E. JOHN.

silence, it seems. Poor things!

conspiracy theory: that you and I in national security, and above all a cooked up this contretemps to drum up lucrative lecture dates.

Because you are no longer a danger to the nation as the prospective secretary of defense, I can turn over conduit between the disputants. To the pursuit of the reasons for your suggest that I was ever accused of plagiarism is a lie; at no time in a long withdrawal to your personal demons. career has anyone said I used anyone else's prose under my byline. Even your severest critic hopes you

will get help.
The Pentagon has dodged a bullet; Bill Clipton is fortunate that his worst nominee came apart in public before he could damage more than the president's judgment about people. The next nominee should be an exemplar

of stability, a civilian experienced

person of character.

Perhaps I am mistaken about Mr.
Inman's realistic fears of exposure. Perhaps all it took was a single, factual blast to tip him over into failing the

Let us remember Bobby Ray luman for his intermittent good works and his truly spoken political epitaph: the country is better off with me in the private sector."

The New York Times.

## Keep Out of the Kitchen

B OSTON — Let me see if I have this tims of the mass media truck. Their lives right. Bill Safire. Torry I amic and I right. Bill Safire, Tony Lewis and I were part of a cabal who set out to min Bobby Ray Inman's daughter's wedding. No, no, no. That isn't it.

We're part and parcel of the "New McCarthyism." A bunch of columnist hitmen, or hitpersons. Character assassins run amok.

There we go, Now I've got it. Bobby Ray Inman's withdrawal of his name from nomination as secretary of defense may well go down as one of the stranger hours in recent political history. It was matched only by his appearance in the Rose Garden last month when he told the world that he had voted for George Bush and had to reach a "comfort level" with Bill Clinton.

This time, the former admiral said his comfort had been destroyed by columnists' attacks, most notably by Bill Safire of The New York Times, but also by The Times's Tony Lewis and me - quite the political trio. Perhaps Mr. Inman was auditioning for the starring role in "The Prince and the Pear?

Mr. Inman said he was fed up with "rush-to-judgment distortions of my record, my character and my reputation." And he called Mr. Salire a plagiarist who made a deal with Bob Dole, and the rest of us McCarthyites.

In truth, Mr. Inman was lovingly stroked by the media and all of official Washington. He was seen as the savior. Few of us disagreed. If three columns can raise the heat to the boiling point on his delicate thermostat, he better stay out of the pantry, let alone the kitchen.

The irony is that I have written and worried about the same issues that the departing nominee talked about. There is a rush to judgment in the media. While there have always been harsh attacks on public officials, Vincent Foster's last words about Washington still carry a ring of truth: "Here ruining

Over the past years, we have seen de-cent people become the hit-and-run vic-

president who honored him. If so, the defense establishment was spared the agony of being led by a deeply conflicted man with no grasp of the American system of checks and balances.

## **Fainthearted Cooks Should**

By Ellen Goodman

have been reduced to one had moment, a single mistake or misjudgment. In an era of Fax Attacks and Instant

Analysis, it happens too fast to get the license plate number. Caricature can be a kind of character assassination. There are a lot of walking wounded. It is true that sometimes the media are

too concerned with personal lives and not enough with the public trust. And it is true that many people who consider public service reconsider what it would mean in terms of public scrutiny. I have taken some of my colleagues to

task for this, especially for the level of "public discourse" that ends up in a food-fight at the television round table. But Mr. Iaman wasn't among those who got the big pie in his face. In his rambling remarks over the past

few days, he was angry at reporters who called to ask if he was gay. He said that he didn't want his membership in the all-male Bohemian Club to become a litmus test. But the only place you read those "attacks" was in the transcript of his own remarks.

"My problem is with the columnist who is afforded the pages of the newspa-per and the syndication and the talk shows to carry on attacks with no one responding," he said. Those of us who make our living telling people what we think hear a good deal from those who say what they think of what we think. Unlike Mr. Inman, we stay in the kitchen. As a columnist you are expected to be

opinionated. That doesn't exempt you from being fair. Most of us who are in the business for the long run know that. But fairness is also a matter of, uh, opinion. So yes, there is a point to be made about hit-and-run journalism. But Bobraised about his qualifications for the job of making war and making peace

The Bastan Globe.

who proved that he wasn't up to the job.

## And a Flashlight Handy

By Carolyn See

- Usually in an earthquake, I'm down three flights of stairs and out of

the house in world record time. This quake, it didn't seem worth the bother. When it's this powerful, you just lie in bed and look at death (except for the poor man ejected out of his hotel bed and sixth-story window: he got to look at death on the way down). After it stopped, I leaned over to pick

#### MEANWHILE

up the transistor radio. Yes, we keep one next to the bed. just in case. And, downstairs, we store an earthquake kit and extra drinking water and snacks and white wine.

But the radio was buried under a foot of books and a broken lamp and a smashed telephone.

When I found it and turned it on. I heard familiar voices whispering: "Hello? Hello? Hello? Bob? Bob? Bob? Hello?" I sat on the bed and listened as my husband said, "My arms are wel."

The cup of milk from his side table A man on the radio said, very weakly: "Should we broadcast? Can we broadcast?" In a brave imitation of his public

voice, he gave the station's call letters. It was blacker than the inside of a cow. I made my way to the closet to get shoes, realized that everything had fallen on top of them, and finally found a mismatched pair. Shoes are the important thing during

a quake because of broken glass. You are supposed to leave a pair by the bed. but even so they would have jumped across the room. No one tells you that. We had barely spoken, but my husband said dimly. "Do you want

to go down?"
We felt our way downstairs and found the doors to the house blocked by upturned furniture. A neighbor rescued us, the sight of his flashlight beam as welcome as the sound of your father's voice when you're in trouble. We made our way to the garage to get

the earthquake kit with its three flashlights; none worked. The neighbor gave us his and we went into the kitchen. The refrigerator's contents were everywhere, but we found a bottle of club soda -our throats were dry with terror.

My younger daughter phoned. She runs a homeless shelter in Santa Monica. "We've got an emergency plan we're supposed to go into, but I can't reach the elter," she explained.

"Does Chris have his shoes on?" I asked, as I heard her husband, a recent by Ray Inman wasn't a victim. He was criticized for his record. Concerns were "Chris, put on shoes," she said. Neither of us had water or power. The men on the radio couldn't seem to get anyone

"Well, what next?" my daughter

T OPANGA CANYON. California brush fires and last winter's flood? A plague of locusts?

We sat on a couch in the living room and waited for sunrise as aftershocks

rolled through. I called my older daughter and learned that she had gone to get her son out of bed and been thrown across the room. She found her perfect flashlight, but was trembling with fear and dropped and broke it. The phones were erratic, but I got a call from a former student in the East.

"I just wanted to see if you were all night," he explained. I am not sure we're all right. An earthquake is not like a riot - you cannot

take sides or get indignant.

It isn't like last year's flood, when we watched, horrified but enthralled. as seven houses on my daughter's street slid down a cliff and onto the Pacific Coast Highway.

It has none of the exuberance of a brush fire, where your breath rattles in your chest as you watch the sky turn red and you sprint for your life.

When the sun came up and we found that the house was "safe" but that half of our breakable possessions were bro-ken, that admiral came on the radio to say he would not be secretary of defense. The hoys on the transistor cut him right off. "He says he doesn't want to do it so he doesn't have to do it!" they muttered with disgust. All those admirals and other strong men. in an earth-

quake they are ludicrous. A lot of people here are saying that the quake was ennobling. I think it is the sourcest of disasters. Nature shakes you cruelly, meanly; it makes it clear that you count for nothing.

And then it makes you clean up your room.

The writer author of the forthcoming "Dreaming: 50 Years of Drugs and Drink in One American Family: "She contributed this comment to The New York Times.

#### The Other Quake

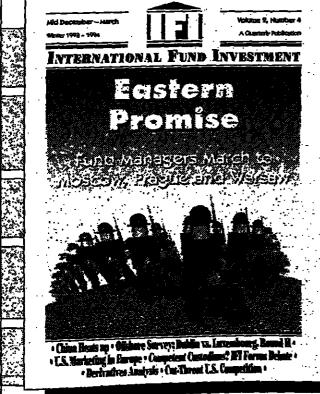
E VEN IN disaster, the fault lines that divide Los Angeles are there for all to see. The recent earthquake thrust Anglo suburbia into an unaccustomed dramatic role: When the shaking stopped, neighbors spilled into the streets, offering each other gallons of water, flashlights, words of reassurance. Normally, the brick walls between their homes are so high that neighbors rarely speak.

A world away in the Latino barrios. such solidarity is the survival mechanism of daily life. Trained for disaster by war and poverty in their native countries, residents see tragedy as inevitable.

The old L.A., the suburbanites, have

something to learn from this new LA. -- Ruben Martinez of the Pacific News Service, in The New York Times.

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### France's 'Eurotrash': **Cross-Channel Humor**

By Alexander Lobrano

ARIS - Though it may sound like a fantasy of the audiovisually vigilant French Ministry of Culture, "Eurotrash," a French-produced television series, achieved near cult status on Britain's Channel Four in the space of only six shows last autumn and will start a much longer run in April.

A fast-paced, London broadcast enter-tainment newsmagazine, "Eurotrash" is hosted by two English-speaking French-men — the media star Antoine de Caunes and the bad-boy fashion designer Jean-Paul Gaultier - who have seduced the British into accepting their European identity by showing them the lustier, livelier and sometimes more lurid side of contemporary European culture and who have also prover that the French actually do have a sense of humor by making wicked fun of their Brit-

Ironically, however, the cultural thread that "Eurotrash" finds unifying young Europeans — Spanish, Dutch, Belgian and German television stations are planning to pick up the series, too — is not high art but a love of bad taste. "'Eurotrash' is kitsch."



Antoine de Caunes, left, and Jean-Paul Gaultier, hosts of "Eurotrash."

says Peter Stuart, 33, the show's Parisbased producer and director. "In the United States, it would cover something like a musical based on the television series 'The Brady Bunch,' but because this is Europe we do stories on La Genny, the French nudist golf resort. It's high-brow, low-brow Lowenbrau, with lots of sex and glamour but also with some seriousness - within this format we can interest people in a

Well, it's nearly February, which is Canine Dental Health Month in the United States and here, from a barking press release, is an explanation of dog halitosis by Dr. Dan Christian, who works for the pet food company sponsoring the event: "The major cause of bad breath in dogs is periodontal disease." So get the dog some floss. subject like the late French singer Serge Gainsbourg, which they'd find dull if it was presented in the style of traditional European arts programming."

Stuart says that the real key to the popularity of "Eurotrash" - the show was drawing two million viewers, roughly a 20-percent audience share for Channel 4, which considers 11 percent to be an excellent perfor- is the "classic Laurel and Hardy team of de Caunes and Gaultier. They're the heart and soul of the show."

Suave, hip, quick with a well-honed aside and partial to dark Kenzo suits, de Caunes, 40, was already well-known to the key 15-to-35-year-old British viewing audience as the presenter of "Rapido," an irreverent weekly pop-music program, while friendly, seemin ly guileless and often grinning Gaultier, 40, with his signature bleached-blond crew cut and short claid biles of biles of biles. and short plaid kilts of his own design, had name recognition for the avant-garde fash-ion that has attracted customers like Madonna. The show marked Gaultier's broadcast-

The sweet-and-sour duo begin each 40minute segment with an arch exchange of heavily French-accented English banter about the clips to follow, broken up by double entendres and good-natured jabs at British pride and sense of superiority to anything Continental. During one sequence, for example, de Caunes says, "We just want to remind you that you are a very silly and insignificant country," and Gaultier pitches in, "Nobody cares about you. You are just a sad little island with bad food that we see only when we fly to New York."

Surprisingly, British audiences are eating up this abuse. "Eurotrash' is a celebration of failure and being silly, which is very Britsh, and they can accept the insults because de Caunes and Gaultier are vulnerable themselves — foreign and not totally in command of the language — and also because Britain has a very sadomasochistic culture. They love the flawed and odd and failed," Stuart

Each show is composed of an introduction and six or seven stories, running from 45 seconds to four and a half minutes, that propose, as de Caunes explains "to take an exciting look at a boring old place" — Europe — "and also to give you Brits a chance to laugh at us, as we've been doing for years A typical show may include an item on a

Belgian restaurant whose specialty is braised rat; a Dutch company, "Weed Express," that is the first European home-delivery service for marijuana; and a look at the Miss Transex 1993 competition, a beauty pageant for transsexuals held in Lucca, Italy. Stuart, an American, conceived the series

for Rapido Television, a small French production company that has made its niche by transmitting European and especially French culture to the British.

Channel Four, an alternative arts-based

London channel, was skeptical about "Eurotrash," but in what must be considered one of the more peculiar victories for European unity, it was pleased to be proven wrong. Even the French, as it turns out, are eager for a taste of "Eurotrash," with the result that a special 50-minute French version of the

Alexander Lobrano is a journalist based in



One of the special attractions of Lillehammer is the subarctic twilight; organizers of the Winter Olympiad will time the opening ceremony with sunset.

By William E. Schmidt New York Times Service

ILLEHAMMER, Norway — In the winter the sun hangs dully just above the southern horizon, casting a strangely oblique light over Lillehammer and the frozen surface of Lake Mjosa. At first giance it is a landscape of almost picture-book alpine familiarity, the neat terraces of pastel wooden buildings prettily cupped by a bowl of snow-covered hills rising steeply from the shore. But it is the brittle, daylong twilight that lends such a different quality to the scene, giving queer angles to the shadows and washing the south-facing mountain slopes with a kind of bluish luminescence that reminds you, after all, that this is not Switzerland, but central Norway, just 380 miles (about 600 kilometers) short of the Arctic Circle.

The special attraction of Lillehammer's subarctic twilight has not escaped the organizers of the XXVII Winter Olympiad, which opens here next month; they have timed the opening ceremonies — at 4 P. M. local time on Feb. 12 — to coincide with the peak moments of the sunset, as viewed from the new Lysgardsbakkene ski jumping arena, in the hills nearly 1,000 feet (300 meters) above the town. From there, television cameras at the event will sweep south, over Lillehammer and the lake and the southern horizon, which, if the day is cold and clear, should be aglow in its peculiar gauzy light.

Television technicians are not the first to want to take advantage of Lillehammer's northern light. For more than a century, some of Norway's most famous artists and painters, names like Edvard Munch and Einar Sandberg, were drawn to Lillehammer too. In the center of town, in a year-old wood-and-glass building that the local townspeople call the Grand Piano because of its gently curving facade, the Lillehammer Art Museum is filled with their work, room after room of landscapes and country por-

day will flood into this remote nordic resort of 23,000 people, two and a half hours by car north of Oslo. But if you are looking for hotel accommodations for the Olympics in Lillehammer, you're too late. All the rooms in town were booked well in advance. As of early January, however, there were still rooms available in Oslo, where Olympic organizers have laid on an ambitious nightly schedule of special events for the period of the games, including concerts, ballet and theater. There will be frequent trains from Oslo to Lilleham

About 250,000 of the 1.5 million tickets for the games were still available in early January, although many events, such as the figure-skating competitions, men's speed skating and the opening and closing ceremo-nies, are sold out. From now through the games, people coming from abroad may buy tickets directly at a ticket office in central Lillehammer, or place telephone bookings by calling Billett '94 in Lillehammer, (47) 61-07-12-12. Prices range from about \$13 to \$110, calculated at 7.5 Norwegian kroner to the dollar. Among the events for which tickets are still widely available: ice hockey (selected games); bobsled and luge qualifying rounds, and alpine skiing, including the women's downhill final.

HILE many of the events will center on Lillehammer and its nearby mountain plateaus, others are widely dispersed across Norway's rugged inland. To the north is the little town of Ringebu, 31 miles up the steep Gudbrandsdalen Valley, and the site of both the men's and women's downhill races. Thirty-six miles to the south, on the way up from Oslo, is Hamar, where the speed and figure skating competitions will take place along-side Lake Mjosa, in a spectacular new arena that resembles the overturned hull of a Vitrial town of Gjovik, ice hockey games will be played in a dazzling stadium, literally



The Norwegian government and private investors have spent more than \$1 billion here, preparing for the 16 days of competi-tion. Traffic tunnels have been bored under the city, new sewer and water lines have been laid and shiny arenas have risen against the mountains. On the outskirts of town, alongside the E-6 highway from Oslo, a McDonald's opened in December, incontrovertible proof that this dozy Nordic town has made it into the fast lane of international resortdom.

Among Winter Olympic sites, Lillehammer is the most northerly city ever chosen, 112 miles past Oslo, which was host to the games in 1952, and more than 600 miles closer to the North Pole than is Calgary, the site of the 1988 games. Despite its mountainous setting, it is also one of the lowest winter sports venues in terms of altitude. The city center is only 590 feet above sea level; while the mountains climb nearly straight above. the valley, the surrounding mountain pla-teaus are well below 4,000 feet.

The heart of the old town is Storgaten,

reds, mustard yellows and grays, and coolly illuminated by antique street lamps.

But for all its winter postcard charm, Lillehammer is very different from the flashy, utterly trendy winter resorts of the Rockies or the Alps. Lillehammer seems determined to preserve its earnest way of life. It is a measure of the Zeitgeist here, for example,

that the athletes' apartments in the Olympic

Village will be converted to housing for the elderly once the games are over, and a discotheque rebuilt as a Lutheran church.

With such short days (sunrise in mid-January is after 9 A. M. and sunset before 3:30 P. M.) and biting cold, winter demands to be taken seriously in these latitudes. Even in the town's most fashionable restaurants, it is not uncommon to see a woman arrive for dinner in a sleek skirt and jacket - and baggy, knee-high wool socks, which she then pulls off and stuffs into her overcoat pocket before strolling into the dining room.

ORWAY'S passion for crosscountry skiing surprised even the organizers of the Lillehammer games, who found themselves swamped earlier this year by more than 250,000 requests for the 30,000 tickets allocated to cross country and biathalon, events that went begging for spectators at the last Winter Olympics, in Albertville, France. To accommodate the demand, the organizers decided that anyone with the energy and endurance to ski or snowshoe into the surrounding woods should be free to stand along the course and watch, without a ticket.

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While there are plenty of speedy runs to satisfy downhill skiers — the Olympic alpine sites at both Hafyell and Kvittjell, north of Lillehammer, offer night skiing as well, and will be open to casual skiers even during the games — the careful detail in local tourist brochures is devoted to the extraordinary network of cross-country trails. In the mountain regions around Lillehammer, there are graceful pedestrian mall, where the 19th-century wooden facades of shops and houses have been restored to their original palette of

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### MOVIE GUIDE

**Philadelphia** Directed by Jonathan Demme. U.S. Set in the City of Brotherly Love

carved out of a rock cavern.

for ironic reasons, "Philadelphia," like so many classics of this lofty genre ("To Kill a Mockingbird"), tries the beliefs of the American people. Are they as noble as they imagine? Is not this a land where all men are created equal — or must they be straight men? The film is not just canny, corny and blatantly pamotic, but compassionate, com-pelling and emotionally devas-tating. Denzel Washington plays Joe Miller, a crafty ambulance chaser who advertises on TV. It's he, not his client. Andrew Beckett (Tom Hanks), who needs to change. Though he has committed himself to the law, Joe is a judgmental man. Homosexuals make Joe's skin crawl. Andrew. on the other hand, is a spiritually evolved human being — just, forgiving and kind. Yes, he is dying of AIDS, but that is not a

the next world, he is already half-man, half-angel when he asks Joe to represent him in a suit against his former employer. Andrew, the young top gun in a prestigious law firm, has been fired for alleged incompetence, but he is sure that it's because he has AIDS. Boldly acted and superbly directed, "Philadelphia" has as much to say about the grief of parting as it does about equal rights and the beauty of

compassion. (Rita Kempley, WP)

Death Wish 5: The Face of Death Directed by Alan Goldstein.

Among the devices used to maim, torture and kill in "Death Wish 5: The Face of Death" are an industrial sewing machine, a steam press, an acidic chemical bath and a shrinkwrap machine that trusses up a victim who is then suspended on a hook like an item of laun-dry. "Death Wish 5" is the latmatter of character, as the movie points out. Well on his way to est, and one hopes the last, in

Charles Bronson as Paul Kersey, a middle-class civilian who takes the law into his own hands. While Bronson goes through the motions of revenge with his characteristic deliberation, he looks puffy and sounds terminally bored.

the 20-year series starring

(Stephen Holden, NYT)

In the Name of the Father Directed by Jim Sheridan.

Collaborating triumphantly again with Daniel Day-Lewis (after the Oscar-winning "My Left Foot" in 1990), Sheridan shows the same ability to tell a story both matter-of-factly and metaphorically. His direction is plain and amazingly resonant, pinpointing all the larger mis-apprehensions that shaped the Kalkaesque fate of Gerry Conlon, a young Belfast ne'er-do-well. Ostensibly the tale of one big glaring injustice, "In the Name of the Father" actually

delves much deeper, emerging

bitterness between English and IRA partisans. Already admired as a startlingly inventive actor, Day-Lewis gives another dazzling performance in what is so far the role of his career. As played so grippingly and unpre-dictably, the film's Gerry Conlon is anything but a one-di-mensional fall guy. As the film's settings move from city streets to courtroom and then to prison, "In the Name of the Father sustains a devastating simplicity and a cool, watchful tone. Among the actors who contribute to its steely natural-ness are Pete Postlethwaite, both fond and caustic as Gerry's father, Giuseppe, in an unimaginable predicament, and Emma Thompson as the Con-lons' crusading legal counsel. "In the Name of the Father" has a title that evokes both familial devotion and prayer. A personal tragedy and a piea for reason, Sheridan's tough, rivet-

as a fervent indictment of the

ing film succeeds on both scores. (Janet Maslin, NYT)

#### CROSSWORD

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Canada and Mexico

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## Lutting Corners on Airline Tickets

By Roger Collis nal Revald Tribune

A Section State and the control of t

LANNING a business trip these days can be more complicated than doing business when you get there.
With first class costing twice business class, which in turn can be three times as much as an economy excursion ticket, you can easily pay a lot more for a lot less. Faced with a blizzard of discount fares, upgrades, promotional offers and the maze of fre-quent-flier awards, it's sometimes hard to profit from a buyer's market. Here's a checklist to help you stay shead of the game:

 Before picking up the phone ask your-self some questions. Are you concerned primarily with price or the fastest routing? How much flexibility do you need? How much would you sacrifice for a better price? Are you prepared to change planes twice to earn frequent-flier miles?

• Check airline deals and promotions: Two-for-one offers represent a 50-percent discount on both tickets. But companion fares only give 25 percent. You may be better off with a free upgrade. Look out for double or triple bonus-point promotions in your frequent-flier programs. Watch for extensions of cut-off dates.

• It sometimes pays to pay full fare: The best bargain if you are able to use the flexibility, not only by being able to switch flights and carriers and make unlimited stopovers, but by exploiting IATA "fare construction" rules allowing you to fly up to 25 percent more miles between two points either free or for a small surcharge. Thus you can sometimes save as much as 30 percent by combining separate round-trips on the same ticket valid for a year. A full-fare ticket is usually a prerequisite for two-for-one-promotions, upgrades and higher mileage credits. Virgin starts flying London-Hong Kong Feb. 21 with a Mid-Class (full economy) round-trip fare of £1,200, or about \$1,800. (Cathay and flexibility is to use a pass in combination British Airways currently charge £1,906 in

business class). Cross-border hubbing: Most airlines do deals in a neighboring market, which means it often pays to choose a foreign airline via its main hub. A trans-Atlantic bargain this win-ter (until March 15) is Icelandair's \$360 round-trip Baltimore/New York to Luxembourg - via Reykjavik (with a stopover

#### The Brequent Traveler

option); or round-trip business class from London at £756 instead of the normal £2,100 charged by most nonstop carriers. German business travelers can buy a round-trip Frankfurt-New York (via Concorde to and from Paris) with Air France for 7,432 Deut-sche marks, or about \$4,350 (instead of 9,170 DM) valid to March 31. There is a similar deal from London via Paris.

• You can often cut the cost of full-fare travel in all classes on long-haul routes by up to 60 percent by buying your ticket through a flight consolidator — travel agents who discount airline seats at less than the published fare. A consolidator ticket is valid for a year and fully flexible, except that you can't change to another carrier. Wagons-Lits Travel in Paris quotes 15,200 francs (about \$2,500) for a round-trip business-class ticket Paris-New York on American Airlines/Air France against a published fare of 17,800 francs, while Paris-Hong Kong on Swissair via Zurich or Geneva is 18,000 france against 29,450 francs. A drawback with consolidator fares: They don't usually earn frequentflier bonus points, and can't be used for

All the major U. S. and Canadian carriers market air passes for travel on their domestic networks. They can save you up 70 percent on the coach (economy) fare. A good way to combine economy with a degree of

with an "open-jaw" APEX/PEX ticket (fly to one gateway and back from another, say Paris-New York and Los-Angeles-Paris).

CONTROL OF THE PROPERTY OF THE

• If you are traveling at least halfway around the world in either direction, a round-the-world fare can save you up to 40 percent on first, business class and full economy. Except for the first leg - which you must book 14 days ahead — you can change flights as often as you like. You can change your routing for a nominal charge. You must make at least three stopovers and stay away at least 14 days, but tickets are valid for one year. There are dozens of prices, routes and airline combinations. A British Airways-United RTW business-class ticket routed London-New York-Chicago-Los Angeles-Tokyo-Hong Kong-Singapore-London costs £2,471 compared with a London-Tokyo round-trip fare of £3,241.

#### DO'S AND DON'TS

Decide priorities

Do decide your priorities and how much flexibility you need before calling the travel agent or reservations desk. Be clear about what you're offered and ask for alternatives

Comparison shopping Do compare advertised discount fares and special promotions, consolidator fares.

Splitting tickets

Do check fares at each end of a route. It can make sense to buy an initial one-way ticket to a country with a weaker currency and a series of round-trips at the

**AUSTRIA** 

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- 2

Kunstforum der Bank Austria, tel: (222) 531-24, open dally. Continu-ing/To Feb. 20: "Barock in Neapel."

BRITAIN

London Royal Academy of Arts, tel: (71) 438-7438, open daily. To April 2: "The Unknown Modiglian!." More than 400 drawings by Italian artist Amedeo Modiglian! from 1906 to 1924, until now the most obscure period in his life. The drawings were purchased and collected by Paul Alexandre who became the painter's Alexandre who became the painter's closest friend and only patron upon his arrival in Paris in 1906.

DENHARK

Copenhagen
Det Kongelige Teater, tel: 33-14-1022: Puocinta: "Tosca:" Conductedby Tadeisz Wojciechowski with Cabriela Cegolea and Deniel Munoz.
Jan. 29, Feb. 2, 10, 12 and 16,

FRANCE

Paris
Musée du Louvre, tel: 40-20-50-50, closed Mondays. To April 18: "Egyptomenia: L'Egypte dans l'Art Occi-

dental 1750-1930." Egypt as a 671-4654, closed Sundays. To Jan. source of inspiration. Features 250 31: "In India, by Henri Cartier-Breepieces, including paintings, furniture, son." Photographs taken in 1948 sculptures and architectural projects showing the fascination of Ancient cover the fast, death and funeral of Egypt for Western artists. The exhibiscuptures and architectural projects showing the tascination of Ancient Egypt for Western artists. The exhibition will travel to Ottawa and Vienna. Opéra Comique, tel: 42-96-12-20. Britten's "A Midsurrarer Night's Dream." Directed by Flobert Carsen, conducted by Stevart Bertford, with conducted by Steuart Bedford, with James Bowmen, Lilian Watson, Emil Wolk. Feb. 7, 9, 11, 15 and 17.

GERMANY

Oper der Stadt Köln, tel: (221) 221-8221. Beethoven's "Fidelio." Direct-ed by Hans Neugebauer, conducted by Lothar Zagrosek, with Ben Heppner, Lisbeth Balslev and Hart-mit Welter. Feb. 18

Wuppertal Von der Heydt-Museum, tel: (202) 563-6231, closed Mondays. To March 20: 'Yon Crenach bis Monst.' BO Europeen masterworks from the National Art Museum in Bucharest. These paintings collected by Cerol I, king of Bornania from 1881 to 1914. include works by Cranach, Ruben Munifo, Monet and Repoir.

IRELAND

The Gallery of Photography, tel:

ITALY

Palazzo Ducale, tel: (41) 522-49-51, open dally. To April 30: "Arte Islamica in Italia." A selection of ob-jects borrowed from major Italian col-lections which outline the development of Islamic art throughout the centuries. It includes bronzes, silver and gold objects, crystals, and car-

JAPAN

Tokyo National Museum of Western Art, national Museum of Western Art, tet: (3) 3828-5131, closed Mondays. To April 3: "Greet French Paintings from the Barnes Collection." Pictures selected from the collection of Dr. Albert C. Barnes in Philadelphia, who and the ball as it is in the acquired an exceptional selection of 19th- and 20th-century paintings. Features works by Renoir, Manet, Seuret, Picasso and Modigifani,

SINGAPORE National Museum Art Gallery, tel:

3323656, closed Mondays. To Feb. 20: "From Ritual to Romance - Paintings Inspired by Bali." This exhibition, jointly organized by the Singapore Art Museum and the Neka Museum in Ubud, Bali, brings together more than 70 paintings of Bali seen through the eyes of both Indonesian and toreign artists.

SWITZERLAND

Grand Theatre, tel: (22) 311-23-11.
Beethoven's "Fidello." Directed by Johannes Schaaf, conducted by Friedemann Layer, with Dean Peter-son, Falk Struckmann, Thomas Moser and Catherine Malfitano, Jan. 31, Feb. 3, 6, 9, 12, 15 and 18.

UNITED STATES

New York Guggenheim Museum SoHo, tel: (212) 423-3840, closed Tuesdays. To Feb. 28: "Watercolors by Kan-linsky." Focuses on the artist's oeuvre as it developed from 1911 in Munich, through his years in Russia, at the Bauhaus and finally in Paris in the early 1940s.

eary 1940s. Metropolitan Museum of Art, tel: (212) 570-3951, closed Mondays. To April 3: "Degas Landscapes." 61 pastels, monotypes and oil paintings by Degas, many inspired by his jour-ney through Burgundy in 1890.

### BOOKS

WHAT THEY BE READING

#### DISCLOSURE

...

By Michael Crichton, 405 pages. \$24. Alfred A. Knopf. \$24. Reviewed by Christopher Lehmann-Haupt

I F you think Japan got a bashing in Michael Crichton's "Rising Sun," just wait till you see what happens to the cause of equal opportunity in his clever new novel, Disclosure," about a sexual-harassment suit.

The story opens with its protago-nist, Tom Sanders, looking forward to the acquisition of the Seattlebased company he works for, Digital Communications, by a New York publishing conglomerate. This merger stands to bring Tom a promotion as well as lucrative stock options when the division he works for goes public.

But when Tom arrives late at the office, because he has helped feed the children, he learns that Meredith Johnson, a flame from 10 years earlier, has been given the promotion instead, by a boss who apparently wants to enhance the role of women in the company.

Swallowing his rancor, Tom accepts the invitation of his new boss to a day's end briefing in her locked office with a bottle of wine. When Meredith tries to reignite their sexual past, Tom eventually protests. Furious at the rejection, Meredith yows to make him pay. The next day, Tom learns from

the company lawyer that while Meredith's complaint of sexual hacassment will not be made public, Tom will have to accept transfer to a division of the company he socretly knows is about to be sold off. Rather than capitulate, he decides to hire a lawyer and suc. Now, Meredith Johnson, as

the embodiment of all those antiquated, chanvinistic stereotypes of the power-hungry woman: She is two-faced, underhanded, manipulative, mendacious, underqualified for her position and delighted to wield sex as a weapon. You quickly grow to loathe her.

Yet for a reader to admit this is to tisk making common cause with the Nemderthal characters in the story who cry out, "We told you so!" or ridicule Tom for effetely failing to service the boss and keep the peace. Meanwhile, Crichton seems to temain above such flinging around of raw meat. He is too busy lecturing on the true meaning of his sub-

• Gracie Mansion, who found fame in New York's East Village art scene by changing her name to that of the official residence of the mayor of New York, is reading "Drians Along the Congo" by Rory Nugent. "It was smart, furny and adventurous. I learned not to cut my nails when the moon is full and to always put my left shoe on first. A great book and a total departme from my



with it. Power protects power. And once a woman gets up in the power structure, she'll be protected by the structure, the same as a man."

The author wants us to know that while only 5 percent of sexual harassment suits are brought by men against women, only 5 percent of corporate supervisors are wom-en. As Fernandez concludes: "So the figures suggest that women executives harass men in the same proportion as men harass women. And as more women get corporate jobs, the percentage of claims by men is going up. Because the fact is, harassment is a power issue. And power is neither male nor female."

power," says the lawyer whom Tom hires, Louise Fernandez, "and so is the company's resistance to dealing the company the compa ditional responses and conventional rhetoric. However readers respond to this story, it is important to recognize that the behavior of the two antagonists mirrors each other, like a Rorschach inkblot. The value of a Rorschach test lies in what it tells us about ourselves.

Can you think a Rorschach test? Why, you almost feel ashamed for getting so worked up over "Disclo-sure" and for cheering on Tom, the poor innocent, and hissing at Meredith, the vile scheming wretch! Still, you do get involved, to the point where you worry more about the story than the issues. So along with rooting for Tom, you would Finally, Crichton offers an after-word in which he solemnly intones: about certain technical flaws in the book's claborate narrative.

Why, for example, can the story switch away from Tom's point of view when it serves to heighten the tension, but not when it might satisfy the reader's curiosity? Why does so much depend on Tom's errant memory when a major attack in the book is leveled against therapists who rely too credulously on children's errant memories?

Actually, I know the answer to these questions. Crichton's only real concern is to keep his pot boiling. In fact, "Disclosure" reads as if a fourth of it were dedicated to answering some editor querying its potential implansibilities.

Still, the results keep your blood boiling, too. "Disclosure" is an elaborate provocation of rage in which a thousand fragments of revenge finally fall into place. Meanwhile, Crichton also irrele-

vantly entertains us with a complex vision of the digital future, com-plete with cellular phones the size of credit cards, CD-ROM players that can store 600 books and database environments you can virtually walk around in with the guidance of a helpful angel who cracks wise. That this vision is so much fun and so easy to follow seems pleasantly flattering. It partly makes up for the discomfort of enjoying in "Disclosure" what is deep down an old-fashioned battle of the sexes.

Christopher Lehmann-Haupt is on the staff of The New York Times.

#### BRIDGE

By Alan Truscott ... recent study of the bridge A players of Eastern Long Island found a giant web of intercon-Crichton paints her, happens to be necting partnerships at a group of duplicate clubs. A player might have a regular date to play with A on the first Sunday of the month, B on the first Monday, and so on. Many play five times a week, and therefore have 20 regular dates, although some dates may be weekly rather than, monthly. If asked for a date by a newcomer, a player is likely to offer the lifth Thursday, or

another fifth, since those are not permanently reserved. This web of connections provides a helpful network after events like retirement, or the death of a sponse. A survey found that the ject. Sexual harassment is about

More than 75 percent were women. This information is drawn from a paper, "The Elderly Duplicate Bridge Players of Eastern Long Is-land," written by Adele Dusenbury of Greenport, Long Island. Ms. Dusenbury, is herself an enthusi-ast, and held the South cards on the

diagramed deal. The final jump to four hearts was aggressive, but a more cautious Q J 10 8 game invitation would have led to the same result. The opening spade lead was won with the ace, and trumps were drawn. Now South had to guard against a bad spade split. She played a club to the ace and surrendered a club trick.

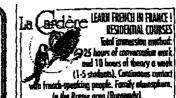
Since East had both king and queen of diamonds, there was no The bid North average age of the players in one the diamond king. South won with game was over 65. The youngest dummy's ace, ruffed a club and player was 47, and the oldest 93. gave up a diamond. East had to

give a ruff and sluff, and one of the potential spade losers disappeared. giving South her game.

NORTH (D) **♦8532** ∇AQ62 ◇ A 10 ♣ A 10 € EAST ♥ J 10 8 0 K Q 7 3 2 4 K 8 5 2 SOUTH 4 A K 7 6 V K 9 7 5 3

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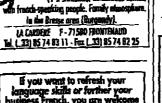
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"Les Misérables," limo service to theater, plus Continental breaktast, for 888 Singapore dollars (\$555). From Feb. 5 to April 9.

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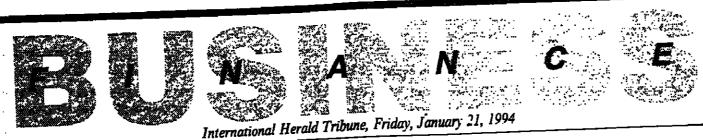
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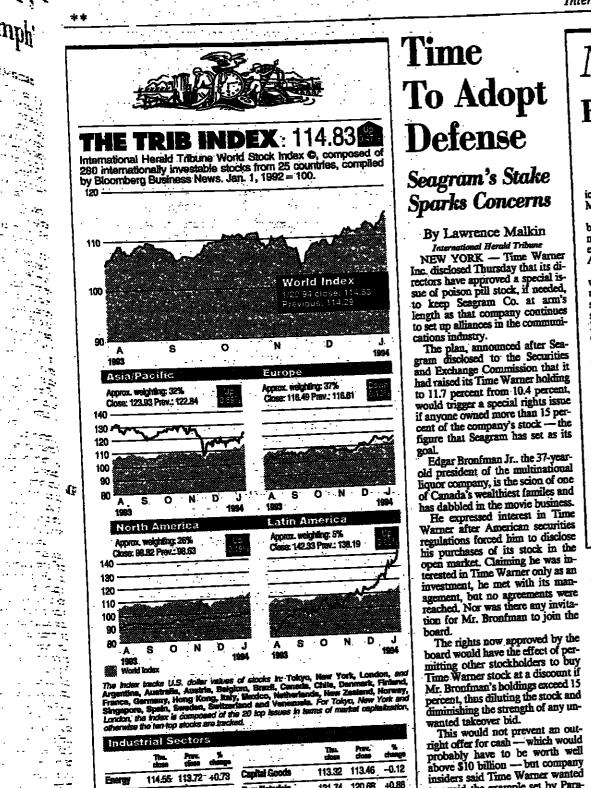
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## No More 'Lazy' Americans Honda Entrusts Top Car to U.S. Plants

By Warren Brown and Frank Swoboda

Washington Post Service
WASHINGTON — The myth of the lazy American worker may be in jeopardy, thanks to Honda

The company announced this month plans to build its Acura luxury cars at its Ohio factories, marking the first time a Japanese carmaker has entrusted one of its premium luxury products to American workers.

Since 1982, Japanese automakers have been willing to risk using American labor to build pickwilling to risk using American labor to build pick-inp trucks, economy cars and, lately, mid-priced sedans such as the Toyota Carmy. But they've steered clear of putting the likes of an Acura Legend, an image leader, into the hands of Ameri-

Although the use of American workers to build expensive foreign luxury cars is a trend largely driven by economics, it also reflects an attitude

change.
The competence of American workers is no longer an issue," said Susan Jacobs, president of Jacobs & Associates, an automotive marketing and research firm in Rutherford, New Jersey.

The Honda announcement comes as German luxury car builders BMW and Mercedes-Benz AG are putting up plants to assemble vehicles in the United States and as Toyota Motor Corp. is expanding its manufacturing facilities in Kentucky to begin making its new, six-passenger Avalon family sedan, priced at more than \$20,000.
For years, Japanese politicians have pilloried

Japan's former prime minister, Kiichi Miyazawa, said during a parliamentary discussion in February 1992 that he felt Americans "may have lacked the work ethic.

Two weeks earlier, House Speaker Yoshio Sakurauchi called the United States "Japan's subcontractor," a country that had lost its leading manufacturing edge "because many American workers can't read ... and don't want to work."

And then there was the view of American workers offered by Kabun Moto, a senior member of

The competence of American workers is no longer an issue.' Susan Jacobs, head of an automotive marketing and research firm.

Japan's Liberal Democratic Party, who attributed some of Detroit's quality problems to auto workers who play too hard on Saturdays and Sundays," making consumers wary of buying any car built on

But one of the biggest hurdles that Japanese and other foreign automakers have had to overcome in trusting American workers is the United States's bias against itself.

American consumers, stung by a long run of low-quality products from Detroit, often equated U.S.-built cars with manufacturing inferiority, ac-

See LAZY, Page 14

## China Battle Cry on Inflation

By Kevin Murphy International Herald Tribute

HONG KONG - Expressing fears that the battle to regain control of China's economy is far from over, two senior leaders urged a tighter central rein over credit and consumer prices in comments pubminishing the strength of any unished Thursday across China. The candid admissions by Presi-

dent Jiang Zemin and Deputy Prime Minister Zhu Rongji that social stability is at risk from runaway price increases heightened concerns that Chinese inflation is again accelerating.

We are still far from setting up a risk mechanism to effectively restrain investment and the inflationary pressure is likely to build up at ime," said Mr. Zhu, the for-

"The planned total credit line must not be exceeded even by one yuan," Mr. Zhu warned at the close of four-day banking conference. The session affirmed that credit in China would remain tight and that new lending would be restricted to fixed assets investment and infrastructure projects. The articles appeared to be

fears that China, faced with complex social problems and financial constraints, cannot engineer a point plan designed to control smooth landing for its high-flying credit expansion and slow growth

economy.
"People don't mind inflation

the assignment last year of bringing the economy back from the brink of fast-growth chaos.

"The planned total credit line" that is high," said Paul Schulte, an analyst with CS First Boston in Hong Kong, describing foreign perceptions of China's economy.

"But they start to get nervous when they said to the content of t they see it accelerating."

Fresh evidence of inflationary potential emerged Thursday with the news that China's industrial output had surged a record-setting 35.4 percent in December from a year earlier. The report on state-run televi-

sion news also said that prices had increased sharply in December but aimed at allaying foreign investors did not give the monthly inflation

In July, Mr. Zhu introduced a 16

See CHINA, Page 12

## **Intimacy Proves** Too Much for Guinness, LVMH

By Jacques Neher International Herald Tribune

PARIS - The French luxury group LVMH and the British spirits company Guinness PLC said Thursday that they would untangle their 6-year-old cross-sharehold-

The deal would provide 11 bil-lion francs (\$1.86 billion) for LVMH while protecting Guinness from any further unwanted diversi-fication moves by LVMH's flam-

boyant chairman, Bernard Arnault. In the process, Guinness will get a lock on Moet Hennessy, the champagne and cognac division of LVMH, thus preventing its sale to any third party and assuring the future of a profitable joint venture that distributes the companies'

wine and spirits worldwide. Judging from the market reaction, Gunness got the better deal.
Its shares soared 10.8 percent, to 522 pence, in London, while stock in LVMH Moët Hennessy Louis Vuitton SA sank 3.42 percent, to 3,899 francs. Associated quoted companies controlled by Mr. Arnault declined as well.

"It's much better for Guinness to have a less costly but more powerful direct stake in the business in which it is active than to have its money tied up in a larger entity. LVMH, whose investments in other areas it can't control," said a financier close to the deal. "LVMH shareholders, on the other hand, thought they had invested in a luxury company and now they see the chairman going in different direc-

Insiders say that Guinness was never entirely happy with the 1987 cross-shareholding arrangement, in which the companies acquired 24 percent stakes in each other, but that its discontent with Mr. Arnault mounted last autumn. At that time LVMH made its first move out of the luxury sector, acquiring La Tribune, a troubled daily business newspaper, and Investir, an investment magazine.

In stating recently that he was interested in expanding in the me-dia, Mr. Arnault has led specula-

tion that LVMH was preparing a bid for Le Figaro, the conservative daily owned by the press magnate Robert Hersant.

On Thursday, Lydie Le Ninivin LVMH spokeswoman, said the Tri-bune and Investir acquisitions rep-resented "a trial" on which to base future media diversification, and declared that "we're not at all about to buy Le Figaro." She said no other media purchases would be made this year.

But analysis remain skeptical. "Now Arnault is free to do what-ever he wants," said Cècile d'Es-tais, a Paribas Capital Markets an-

> 'Guinness won't have its money tied up in a larger entity whose investments it can't control.

alyst. "LVMH always denies it will do something, and then it does it."

The accord bolsters the power of Mr. Arnault, who took command of LVMH -with the help of Guinness — after a bitter boardroom battle in 1989. Mr. Arnault, who already controlled the Christian Dior and Christian Lacroix fashion houses through his holding company Financière Agache, added the LVMH stable of famous names, including Moet & Chandon and Dom Perignon champagnes, Hennessy cognac, Christian Dior and Givenchy perfumes, and Louis

Vuitton leather goods.
In the deal, Guinness will sell its
24 percent stake in LVMH, held indirectly through the holding companies Jacques Rober and Christian Dior, to the Arnault Group and Le Bon Marche for 11.85 billion francs. Arnault Group is one of Mr. Arnault's personal holding companies; Le Bon Marche controls Christian Dior. At the same time, Guinness will

See DRINK, Page 13

### WALL STREET WATCH

For more information about the Index, a booklet is available free of charge.

Energy 114.55 113.72 +0.78

Utilities 124.45 123.32 +0.92

Finance 118.18 116.99 +1.02 Consumer Goods

Services 123.01 122.50 +0.42 Milecellamenus

Capital Goods

Raw Materials

## Northwest Air: Takeoff Near

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138.51 139.19 -0.49

By Adam Bryant

New York Tueses Service EW YORK — Watching the frequent surges and drops in airline fortunes is enough to give even the most limber investor neck cramps. So some may want to brace themselves before trying to follow the bid by Northwest Airlines to go public again. Months after averting a bankruptcy-law filing, the airline said Tuesday that it wanted to raise \$460 million through a stock offering, its first trip to the markets since it was taken private in a \$3.6 billion buyout in 1989.

Northwest is betting that despite some concern about its debt load and other matters, the market will welcome its offering — if only because of the current appetite for new issues. But the company may not get its hoped-for price of \$20 a share

may not get its hoped-for price of \$20 a share.

"If they get it done even at \$17, it would be a very respectable offering for a company that was perceived to be in a lot of trouble just six months ago," Phillip Brannon, a high-yield-bond analyst at Mabon Securities, said.

Many of those troubles are still there, and were added to by a survey in Fortune magazine this month that rated Northwest Airlines as one of the month that rated Northwest Airlines as one of the least admired companies (it ranked No. 400 on a list of 404, higher than Trans World Airlines at 403, but worse than Continental Airlines at 396). Still, there are stars aligned in Northwest's fa-

vor. For one, investors seem to have a lot of faith in ardine debt and equity offerings, lapping up 14 of them, valued at more than \$5.8 billion, since 1991. After Northwest's employees agreed late last war to help the company avoid bankruptcy by rading \$886 million of concessions for roughly me-third of the company, the carrier reported hard-quarter net income of \$110.7 million, the inghest net margin of any big U.S. carrier except uthwest Airlines.

The outlook for Northwest's profitable routes to the Pacific is improving, and the company will probably report a small profit for the fourth quarter. Investors may also be enthused by the recent market performance of Continental, which, after emerging from bankruptcy last year, has seen its recently issued shares trade up roughly 20 percent

This would not prevent an out-

to avoid the example set by Paramount Communications Corp.,

which is now caught and perhaps

will eventually be dismembered in

a Wall Street bidding war of rival

in the last few weeks. Some investors may even take their cues from the experience of Southern Pacific Rail Corp., which has seen its stock rise nearly 50 percent since

going public in August 1993. Northwest and Southern Pacific are in different industries, but they have striking similarities. Both have suffered from heavy debt loads from leveraged buyouts, and neither had any equity at the time of their filings.

All those factors may be more than enough for Northwest to carry off its offering. But these broad and generous comparisons are just that.

Continental, after all, has had its debt cut by its

tour of bankruptcy courts and by low labor costs. Northwest reduced its labor costs in the concessions-for-equity swap, but those costs are sched-uled to snap back to old levels after three years. And while Northwest managed to reschedule much of its debt, its load remains high, with about \$2 billion in repayments due in 1996 and 1997. Other concerns weighing down Northwest inched its negative net worth of \$1.9 billion, and a

chide its negative net worth of 31.5 billion, and a debt-to-capital ratio of 126 percent.

On the other hand, Standard & Poor's and Moody's Investors Service Inc. have put Northwest's debt-rating up for review, with positive implications, pending the offering.

For now Northwest is seen as a low-cost airline,

and low-cost airlines are in vogue. In fact, if the offering goes well, TWA, which also emerged from bankruptcy last year with low costs, might itself consider an offering.

## Bundesbank Eases Policy on Minimum Reserves

By Brandon Mitchener
International Herald Tribune
FRANKFURT — The Bundesbank on Thursday left German interest rates unchanged for the sec-ond time this year, flashing markets a clear signal that it is more concerned about inflation and exchange rates than about eas-

ing credit quickly.
In a separate maneuver, however, it lifted a major financial burden on German banks in a bid to make them more competitive and to indirectly boost the German economy, which is stuck in its deepest recession in decades.

By reducing the amount of mon-ey banks are required to deposit at the Bundesbank without receiving interest, the change in the so-calle minimum reserve requirement lowers costs to lending institutions as a group and opens scope for a change in bank lending rates," the Bundesbank said.

Bundesbank officials have often criticized banks' delays in passing on cheaper credit to consumers.

on eneaper create to consume as.

But whether lower interest rates are passed on immediately or not, the Bundesbank said its move to cut the minimum reserve require ment to 5 percent of the banks' sight deposits should enhance the attractiveness of banking in Germany. Depending on the volume involved, banks currently have to hold between 6.6 percent and 12.1 percent of sight deposits at the cen-

The move on Thursday comple-ments the Bundesbank's decision last March to lower the mi

accounts. Thomas Mayer, chief economist for Germany at Goldman Sachs in Frankfurt, said the prospect of lower bank lending rates as a result of the change in the minimum reserve requirement was more realistic than a decline in official interest rates anytime soon.

Recent signs of slippage on the issues the Bundesbank cares about most "probably strengthened the impression it would be good to wait before taking the next step," said Mr. Mayer. "Better data in February would give the Bundesbank an opportunity to lower rates and hion any negative effect against

the mark," he said. The expansion of money supply. the main barometer for inflation, overshot the Bundesbank's official target last year and inflation, which was calculated at 3.7 percent in December, is likely to rise again in January as a result of new taxes and higher fees for insurance, water and

In addition, the Deutsche mark,

**Metall Plans** 

**Asset Sales** 

To Plug Loss

Compiled by Our Staff From Dispatches FRANKFURT - Metallge-

sellschaft AG plans to turn itself

into a management holding company and to sell a number of stakes in

ny and to sen a number of stakes in German and other companies as part of its restructuring program, its new chief executive, Kajo Neu-

with defending, has slipped 2 per-cent against the dollar since last summer and shows signs of continued weakness as investment flows favor U.S. investments.

The timing of the next German interest rate cut. Bundesbank officials have said repeatedly in recent weeks, depends primarily on new evidence that German inflation is abating and that the Deutsche mark is stable.

"The Bundesbank could easily wait until March,"said Klaus Holschuh, an analyst at Commerzbank AG in Frankfurt. "They have to go slowly on short-term rates to keep faith in long-term rates alive."

The Bundesbank last lowered its benchmark discount rate on Oct. 22. On Thursday, it left the discount rate, its cheapest rate on loans to commercial banks, unchanged at 5.75 percent and locked its market-sensitive repurchase rate for another two weeks at 6 percent, where it has been since mid-De-

The Bundesbank's wait-and-see

reserve requirements that affect the banks' term deposits and savings which the Bundesbank is charged stance is no surprise. Hans Tietmeyer president of the central meyer, president of the central ments in currency matters," Mr.

Chancellor Helmut Kohl, speaking in northern Germany, said Thursday that he backed the Bundesbank's recent decisions.

Kohl told the Chamber of Comists that he was "waiting to see how merce in Kiel. "The older generathings develop" before lowering in-

#### Notice to the Unitholders of MEDIOLANUM SELECTIVE FUND Unit Trust (Fonds Commun de Placement) 11, rue Aldringen, L-1118 Luxembourg

The Management Company «Mediolanum Management Company • has decided on January 11, 1994 to put the unit trust Mediolanum Selective Fund into voluntary liquidation. The Management Company will liquidate the assets of

the fund taking due account of the interests of the unitholders. Fiduciaire Générale de Luxembourg, Luxembourg has been

The issue and redemption of units of the fund have been appointed auditor at liquidation. suspended with immediate effect. The Board of Directors

This ennouncement appears as a matter of record only



The private placement of

660,000 Bearer Shares of Praktiker

Bau- und Heimwerkermärkte AG

out of the portfolio held by ASKO Deutsche Kaufhaus AG, Saarbrücken, has been arranged by us.

Hirsch

Treuhand- u. Vermögensverwaltungs-Gesellschaft mbH Königsallee 58, D-40212 Düsseldorf Tel.: 49-211-13751-0 Fax: 49-211-320949

January 1994

### **CURRENCY & INTEREST RATES**

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kirchen, said Thursday.
Sources familiar with the company said Metallgesellschaft also planned to close the oil-trading activities of its American unit, Metallgesellschaft Corp. The unit's 61/2 6 % 6 % 5% 550

losses were a major factor in the company's recent financial troubles, in which it narrowly avoided a U.S. deliers per eunce. Landon officiel fix-ings: Zurich and New Yerk opening and clos-ing prices: New York Comex (Feb.)

bankruptcy filing.
The sources said the metals and

mining company was considering splitting the unit off from its financing division, then breaking it into several units, selling the profitable ones and closing the unprofitable ones. Mr. Neukirchen, while not commenting directly on the report, said the company was planning to get nd of unprofitable operations. He said the company would form a management holding unit in the "middle term" that would be billion) in the year ended in Sep-

divided into three operating areas: trading engineering and chemicals.

Metallgesellschaft had a loss of 1.8 billion Deutsche marks (\$1.03)

tember 1993. (Knight-Ridder, AFX)

EUROPEAN FUTURES

Food

Dow Jones Averages

Open High Low Last City

Compiled by Our Staff From Dispatches NEW YORK - The dollar was lower Thursday in active trading. although it was above its low for the day of 1.7350 Deutsche marks. which was reached after the Bundesbank decided not to cut

German interest rates. The dollar closed at 1.7376 DM. down from 1.7455 DM at Wednes-

#### Foreign Exchange

day's close, and at 111,365 yen, compared with 111.405 year. It also slipped to 1.4545 Swiss francs from 1.4605 frames and to 5.9125 French francs from 5.9430. The pound rose to \$1.4968 from \$1.4930.

Hugh Walsh, a dealer at ING Bank, said the German central bank's decision had caused dealers and funds that had been long on dollars to sell those positions quickly, with the U.S. currency falling sharply as stop-loss sell orders were triggered on the way down.

Mr. Walsh added that the

Bundesbank's later announcement that it was setting its securitiesrepurchase rate at a fixed 6.0 percent "added fuel to the fire, causing even heavier dollar-selling." "The market had expected the

Bundesbank to announce a variable-rate repo," he added. "When they said it was fixed, the dollar fell straight through 1.7400 against the mark." Support emerged around 1.7350 DM, he said, with strong buying interest showing up after a Federal Reserve Board economist said that fourth-quarter growth in the United States might have been as high as 6 percent annually.

U.S. banking sources, mean-while, said the Bundesbank had told them it would delay the release of its M3 money-supply numbers until next week at the earliest and possibly until the first week in February, to try to minimize "end-of-

They said the M3 number appeared to have risen sharply at the mark across the board Thursday.

The dollar traded sideways jii in Japan, Mr. Walsh said.

But the yen advanced against some currencies as some dealers decided that Mr. Bentsen still might make some gesture toward seeking a stronger yen as a bargaining point. This would raise the cost of Japanese products around the

#### **SEAGRAM:** Defense Considered

Continued from Page 11, companies that are pledging their stock and cash.

The impetus for the rights offer. a fairly standard Wall Street ploy. came from Time Warner's own strategic partners and some of its institutional investors, the company said. Time Warner, itself the duct of a takeover war that has left it \$9 billion in debt, has an

#### N.Y. Stocks

alliance with US West Inc., a regional telephone company, to expand cable and phone networks, and with Toshiba Corp. and the trading company Itochu to expand its entertainment penetration of

the Japanese market. Time Warner officials said their partners told them they wanted to be sure plans went ahead with the parties with whom they had made their deals. The officials also feared that a bidding war could scotch further agreements.

Scenting a possible takeover war. Wall Street pushed up Time Warner stock by 82.5 cents, to \$40 a share.

Seagram said it believed that rights plans "are not in the best interests of public shareholders."

■ Dow Hits Another Record Stock prices were slightly higher

end of the year for technical reasons, which resulted in the Bundesbank's decision to re-examine the figures and delay their release. The move was said to help to bolster the

against the yen, with traders reluc-tant to take major positions before the weekend meeting between Treasury Secretary Lloyd Bentsen and Finance Minister Hirohisa Fu-

world and tend to depress exports.
(AFX, Bloomberg, Knight-Ridder)

Thursday as investors reacted to corporate earnings and digested contradictory U.S. economic data,

wire services reported. The Dow Jones industrial average advanced 7.59 points to 3,891.96 points, another record, but dealers noted that profit-taking from Wednesday's record levels had weakened prices early in the

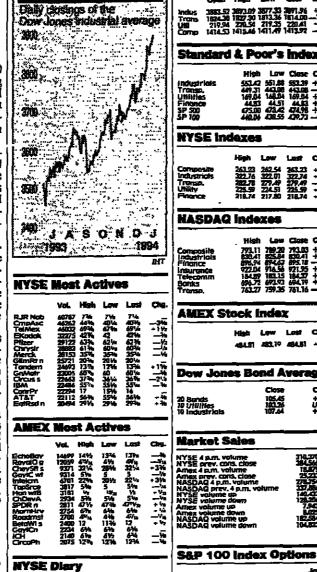
Advancing issues took a slight lead over declines on the New York Stock Exchange and volume totaled about 310 million shares, nearly unchanged from Wednes-

A government report on the ome-building business furnished fresh evidence of economic vigor while news from the job market indicated employment growth was sluggish. The weekly job data re-confirmed widely held perceptions.

The bellwether 30-year Treasury bond, which fell 12/32 Wednesday to yield 6.296 percent, was ahead 13/32 to 99 25/32. The issue's yield, which moves in the opposite direction of its price, was 6.26 per-

Altera Corp. plunged 5% to 30 after the semiconductor maker said its first-quarter earnings won't be as strong as earlier thought.

(AP, Knight-Ridder)



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economy from prosperous coastal

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However, after three months in

economy was cooling, recent data

ation and monetary systems.

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**Amex Diary** 

NASDAQ Diary

market economy.

Continued from Page 11

At the time, the economy was

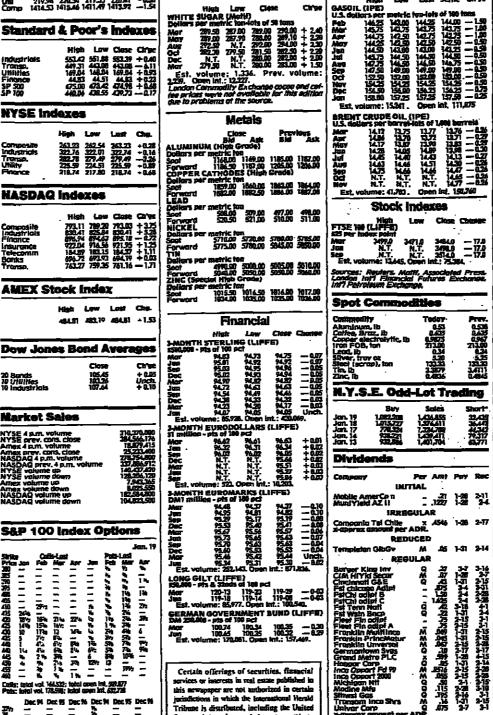
growing at an annual rate of 14

percent and urban inflation topped

21 percent. Analysts feared social

while allowing Beijing time to build

The Dow



industriais -

States of America, and do not constitut States of America, and no not constraint offerings of securities, services or interests in these jurusdictions. The international Parallel Tribute assumes no responsibility whatnoever lox any adventuements for offerings of any bind. STOCK

may remain unchecked. It topped a monetary system that could cope tral government take control of the 21 percent in November. with China's embrace of a free-economy from prosperous coastal

New taxes and a decision New taxes and a decision on Jan. 1 to unify China's two foreign ex-change rates and allow the value of the yuan to be determined by market forces has induced panic buying of which stringent austerity measures translated into firm indications the

Reports that prices had risen by

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CHINA: A New Battle Cry on Inflation Amid Fresh Signs of Overheating

Beijing has announced a series of suggests that China is again start—30 percent in one month in some structural changes which, if fully ing to grow too fast and inflation areas recently prompted the rein. areas recently prompted the rein-troduction of price controls. They were endorsed by President Jiang.

1-31 2-15 3-1 2-8 1-31 2-14

In pledging a greater role for "state-owned commerce" in stem-ming inflation, Mr. Jiang said the government gave reasonable consumer prices high priority as "a matter which will affect social sta-

Section Section
High Low

### U.S./AT THE CLOSE

GE's Profit Rose 10% in 4th Quarter

FAIRFIELD, Connecticut (AF) — General Electric Co. reported Thursday a 10 percent gain in Jourth-quarter profit, helped by strong growth in its appliances, financial services, plastics, power systems and transportation businesses.

GE carned \$1.48 billion, or \$1.73 a share, in the quarter, up from \$1.34 billion, or \$1.57 a share, in the fourth quarter of 1992. The year-earlier results included \$126 million in earnings from GE's now-discontinued aerospace business.

Revenue rose 12 percent in the latest quarter, to \$18.08 billion from \$16.20 billion. For the year, revenue was up 6 percent, to \$60.56 billion from \$57.07 billion, and profit jumped 10 percent to \$5.18 billion, or \$6.06 a share, from \$4.73 billion, or \$5.51 a share.

#### Home Construction Shows a Surge

WASHINGTON (Reuters) -- Home-building boomed in 1993, reflecting a surging U.S. economy, the government said Thursday, but weekly labor data suggested that getting a job remained difficult.

Low mortgage rates and rebounding consumer confidence encouraged

builders to break ground on a total of 1.29 million homes in 1993, the highest level in four years, the Commerce Department said. In December alone, home construction jumped 6.2 percent from the previous month, to a seasonally adjusted annual rate of 1.54 million, suggesting an even stronger housing market for 1994.

In a separate report, however, the Labor Department said first-time claims for state jobless benefits had climbed 23,000 in mid-January to a six-month high of 380,000.

#### **Ouaker Oats Had Weaker Quarter**

CHICAGO (AP) — Quaker Oats Co. said Thursday its profit fell 24 percent in its latest quarter because of weak economies in Europe and high inflation in Brazil.

The maker of breakfast cereals and other food products had net income of \$42.8 million, or 63 cents a share, for the three months ended Dec. 31. down from \$56.2 million, or 77 cents a share, a year earlier. The earlier results included a \$17.4 million gain from the sale of two Italian food businesses and a \$9.7 million charge for a European cost-reduction

orogram. program.
Sales rose 2 percent, to \$1.35 billion from \$1.33 billion.
Chairman William D. Smithburg said the decline reflected sluggish European sales, high financing costs in Brazil and lower foreign-exchange gains. He said key U.S. businesses were performing well.

#### Firms Discuss Competing With MTV

NEW YORK (Bloomberg) — Four music and entertainment compa-nies are considering launching an international program to compete with Viacom Inc.'s MTV cable-television channel, an executive close to the discussions said Thursday.

The executive said the companies were Time Warner Inc.'s Warner Music Group; Sony Corp.'s Sony Music; Thorn EMI PLC's EMI Music unit, and PolyGram, which is majority-owned by Philips Electronics NV. Spokesmen for the companies did not comment on the report.

The executive did not say how much the companies were considering investing in the project or when the venture might be launched. He said the project would be modeled on a cable venture started about sax weeks.

ago in Germany that included the same partners. That service, called Viva, is offered to about 90 percent of Germany's 13 million cable

#### For the Record

Microsoft Corp. reported a 22 percent gain in its second-quarter earnings on the strength of its Microsoft Office programs. (NYT) Bristol-Myers Squibb Co. reported fourth-quarter earnings of \$256 million, or 50 cents a share, reversing a year-earlier loss.

### **Opel Posts a Major Loss**

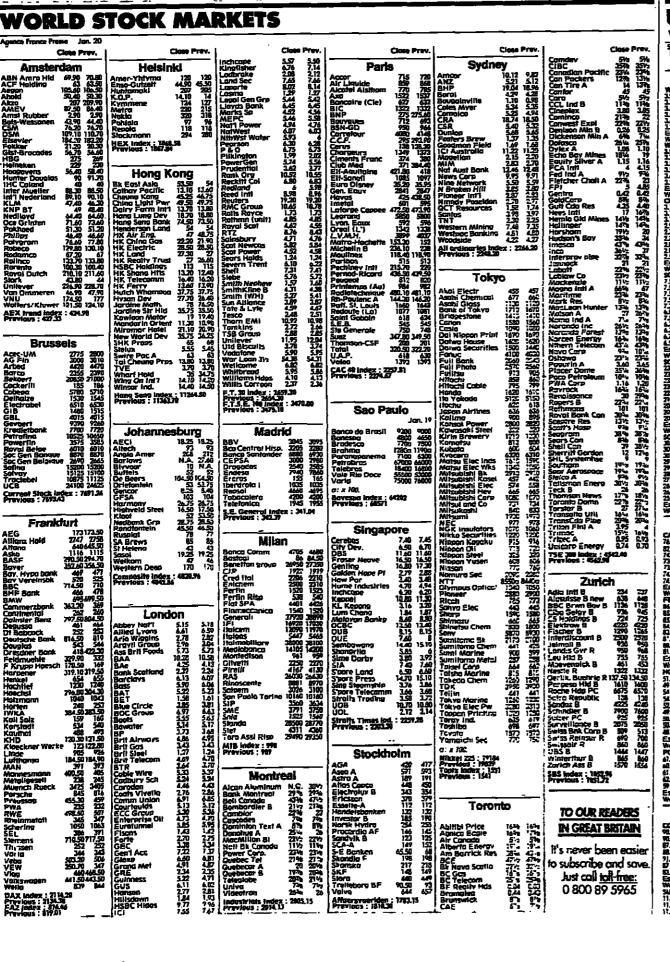
associated with short-time FRANKFURT — Adam. Opel AG, the German subsidworking. iary of General Motors Corp., said Thursday that extraordinary charges had forced it into a

significant loss in 1993. It said the one-time burdens included 160 million Deutsche marks (\$91.9 million) in costs

High Low Class Chy Oplint.

In 19>3, payments for layoffs and early retirement cost 350 million DM and currency related losses cost 380 million: DM, Opel said. However, it said, GM's European operation as a

whole remained profitable.



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## German Plan **Aims to Boost** Jobs and Growth

BONN - Finance Minister al parliamentary election in the an-Theo Waigel presented the government's package to boost growth and employment to the Bundestag, the lower house of parliament on

The state of the s

The measures, due to be implemented before this summer, are designed to make it easier to start businesses and to make employment terms more flexible. Even though Germany's political

#### **BOC** to Slash 1.700 Jobs

LONDON - The industrial gas and health care concern BOC Group PLC said Thursday that it was criting 1,700 jobs in a major restructuring aimed at slashing costs £60 million a year by 1997.

The group will take a charge of £85 million (\$126 million) in this year's accounts to pay for the restructuring and for laying off about 4 percent of its work force.

The chief executive, Pat Dyer, told shareholders, "In effect, this is spending money to save money." Chairman Patrick Rich, 62, said he would retire in April; no successor has been named. BOC shares tumbled in reaction but later rebounded, closing at 697 pence, up 31 pence.

Major

tumn, the proposals "don't contain any electoral sweeteners," Mr.

Waigel said Mr. Waigel said there would be no additions to the 1994 budget, which foresees a deficit of 69.1 billion Deutsche marks (\$39.6 billion), compared with a 67 billion

DM deficit in 1993. Economics Minister Günter Recrodt, speaking in support of the

program, called it a "core part of 1994 economic policy."

Despite "clear signs the German economy has left the trough of recession," unemployment will con-tinue to grow in 1994, Mr. Rexrodt said. "That's why the focus of our action program is on safeguarding

The plan includes measures aimed at aiding small and mediumsized businesses, as well as labor and tax-law changes, some deregu-lation measures and efforts to stim-

niate housing construction.
In addition, Mr. Rexrodt said the government would offer lowinterest loans to boost what he called innovations at medium-sized companies that could trigger pro-

jects worth several billion marks. Other plans include altering the corporate tax system and contracting out more services traditionally provided by regional or local gov-

The Federation of German Industry welcomed the plan as a sign of "growing readiness to view Germany's economic problems realistically," but it said there was too little focus on reducing the state's

## **Bonn Sweeps Its Tracks** Railway Is Groomed for Privatization

FRANKFURT - Germany's state-owned railroad operates more than 30,000 trains a day to hundreds of destinations. But because it is hobbled by debt and anachronistic work rules, its scrvice usually turns one direction: in the red.

. That may be about to change. The German government is in the process of converting its money-losing rail network into a privately held company, chang-ing the way it works to prepare for its eventual sale to the private

Prospects for success are murky at best. Even Gerd Aberle, a member of the Transport Ministry's committee that drafted the reform, said he is "not that optimistic" it will work. But the government, rail experts and the railway's management agree that there was no alternative to a radical reorgani-

Heinz Dürr, the railroad's chief executive, said recently that without reform, Germany faced capitulation of the railway to road traffic" or a "shrinking railway which only runs on highly profitable routes."

With an accumulated debt of 70 billion Deutsche marks (\$40 billion), the state-owned network - called Deutsche Bundesbahn in Western Germany and Deut-sche Reichsbahn in Eastern Germany — was a large burden on the budget. Even worse, it was failing to stop the hemorrhage of traffic onto Germany's clogged-

The railroad's share of passenger transport fell to 6 percent by the early 1990s, down from 9

percent in 1970. For freight transport, the share fell to 21 percent from 33 percent.
The solution chosen in Ger-

many, as in Britain, has been to pry the railroad out from under the tutelage of the transport and finance ministries and convert it into a quasi-public corporation. The government still owns all of the shares in the resulting enti-

The railroad's share of passenger traffic has fallen to 6 percent.

ty, called Deutsche Bahn AG, but the goal is to make all the improvements necessary to make the railroad attractive to private investors, then sell it off.

To do this, managers will try to lure traffic back onto the rails by improving service, then cut costs and make the system profitable by freeing it from the shackles of a bureaucracy which had made it often unresponsive to market needs. But analysis say that a sale to

investors is still a long way off. The deficit problem will remain for some time, so that the railway will appear uninteresting to private investors in the foreseeable future," said Rainer Münch, a transport analyst at Deutsche Bank Research.

Mr. Aberle, the professor who helped the government draft the reform plan, said the future attractiveness to investors "can't be estimated at all at the moment because we don't know how earnings will develop.

vinced that the plan was right in theory, but said that putting it into practice involved many uncertainties.

"I'm not that optimistic things will improve fundamentally," he said. Deutsche Bahn will become more flexible, "but it will still be a large company with all the inflexibility that large companies

He said there were inherent disadvantages that still hampered the railroad's ability to compete with highways, regardless of reform.

Railroads, for example, must pay the full cost of building and maintaining tracks, while car and truck drivers pay fees that experts say cover only part of the costs of highways.

Some of these problems will be addressed by reforms that took effect earlier this month. Deutsche Bahn AG will not be required to operate on unprofitable routes and the state will have to subsidize some services that do not generate enough rev enue to cover costs.

The railway will also be free to slash its payroll, one of the main causes of its persistent losses, by shedding almost a third of its work force of 360,000 by 2000. This is normally difficult to do because about 120,000 of its employees are civil servants, who are usually nearly impossible to

But on Jan. 1, the civil servants were transferred to a state body that hires them out to the railway. Starting in 1997, Deutsche Bahn will only keep those civil servants it needs.

### Nestlé Sales **And Profit** On Upswing

VEVEY. Switzerland - Nestle SA, the world's biggest food company, said Thursday that its sales and profit had risen last year and predicted improvement in '94.

Officials said group sales had risen 5.4 percent last year, to 57.5 billion Swiss francs (\$39.4 billion). "As for the net profit for 1993." the company said in a statement, "Nestle is counting on an increase compared with 1992." Net profit in 1992 was 2.6 billion francs.

Profit and dividend will be published March 24. The company was optimistic for

1994, saving that barring deepening recession in Europe or unfavorable currency development, it expected "an increase in sales and net profit for the current year." The upbeat statement boosted its

registered shares on the Zurich stock exchange, where they had been down sharply early in the day. They ended at 1,322 francs, down 10 francs on the day.

Nestle said three percentage points of last year's 5.4 percent sales increase had come from consolidation of acquisitions. But there was also an increase in sales volume, particularly in Asia, Latin America and North America.

Nestlė said favorable developments in business outside Europe enabled it to more than offset a slowdown in Europe, where recession pushed sales down and some currencies weakened markedly.

Overall volume growth, excluding acquisitions or disinvestments, stood at 1.7 percent last year.

Within the larger product groups, strong volume growth was recorded in drinks, milk products and the pharmaceutical area.

### Investor's Europe Frankturt FTSE 100 Index CAC 40 DAX

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xchange	Index	Thursday Close	Prev. Close	Change %	١
Amsterdam	AEX	424.98	427.33	-0.55	١
	Stock Index	7,691.26	7,693.43	-0.03	١
Brussels	DAX	2,116.20	2,134.38	-0.85	١
Frankfurt		816.46	819,01	-0.31	.[
Frankfurt	FAZ		1,867.84	+0.04	١
Helsinki	HEX			+0.19	١
London	Financial Times 30	2,659.30	2,654.30		1
	FTSE 100	3,470.00	3,475.10	-0.15	١.
London	· · · · · · · · · · · · · · · · · · ·	341.04	342.39	-0.39	1
Madrid	General Index	990.00	989.00	+0.10	•
Milan	MIB	·	2,274.67	-D.74	- '
Paris	CAC 40	2,257.81		1.50	-
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	Stock Index	503.14	504.11	-0.19	_
Vienna	SIDER HIDER	1 052 96	1.051.72	+0.12	2

#### Very briefly:

The European Commission warned that it might block a capital injection of 2.5 billion French francs (\$422 million) into Groupe Bull the French state-owned computer company, if it did not quickly submit a restructuring plan to justify new injections of state aid.

Alcatel Alsthom SA set up two communications joint ventures, in Beijing and Chengdu, with the Chinese Telecommunications Ministry.

Alcatel China and the ministry would have equal shares in the companies, which were set up to work on transmission equipment.

 Skoda Automobilova AS, the Czech carmaker that is 31 percent owned by Volkswagen AG, said it turned out 10 percent more cars in 1993 but declined to reveal profit figures for the year.

 Anglo-American Corp., South Africa's mining conglomerate, said that its profit from gold and uranium rose 2 percent, to 275.1 million rand (\$80.68 million), in the fourth quarter of 1993. But Chairman Clem Sunter warned that the market would be "very tricky" in 1994 because it was being driven by fund managers rather than physical demand.

 Banco Bilbao Vizcaya SA said its pretax profit rose 4.5 percent to 116 billion pesetas (\$815 million), in 1993, while net profit rose 2.3 percent, to 71.08 billion pesetas.

## Elf Chief Sounds Warning Note on Costs

Compiled by Our Staff From Disputches PARIS - Elf Aquitaine will cut exploration and production costs if the oil price slump continues, its chairman, Philippe Jaffre, said Thursday as the state-owned company began selling shares to the public.

Efforts to contain costs will not necessarily lead to further depreciation in the value of Elf's assets, he said, without providing details. Mr. Jaffre said it was too early to predict the

direction of oil prices, and he suggested that there could be a backlash. "The deeper the price plunges," he added, "the more violent the up-

and after a news conference devoted to the company's 1993 preliminary results, which were published earlier this week. The conference coincided with the start of the public

offering of a 24 percent stake in the company Last year, Elf Aquitaine took a one-time charge of 2 billion French francs (\$339 million), including 1.5 billion francs' worth of oil and gas assets, primarily in the North Sea, to cover depreciation of assets.

The charge contributed to an 82 percent slump in the 1993 net profit, to 1.1 billion francs, from 6.2 billion a year earlier.

The remainder of the state's stake, which was will be split between core share-

holders and staff, and the state will keep a stake of about 13 percent. Outside investors already own 49 percent of Elf, which has the largest capitalization on the French bourse.

France's Socialists expressed anger at the Elf sell-off, calling it "a crime against the nation."

Drop in Profits at Saint-Gobain

The French construction materials maker Saint-Gobain SA said Thursday that its consolidated net profit had fallen 45 percent in 1993, to 1.3 billion francs, from 2.38 billion francs the previous year, Bloomberg reported. Excluding capital gains and losses, net profit was 680 million francs,

### DRINK: Guinness and LVMH Part

Continued from Page 11

pay 8 billion francs for a 34 percent stake in Moet Hennessy, which following internal restructuring will encompass all of LVMH's wine and spirits brands. It had pro forma sales in 1993 of 10.7 billion francs and operating profit of 29

The 34 percent represents a minority blocking share that allows Guinness to prevent major capital and strategic shifts at the French own core business in spirits, Tony company. The deal also gives Guin-Greener, the Guinness chairman, ness right of first refusal in the said.

event LVMH wants to sell its

The deal calls for LVMH to reduce its 24 percent stake in Guinness to 20 percent by mid-1995. LVMH said the 11 billion francs raised by the transactions would be applied to paying down its debt currently 16 billion francs - and to acquisitions in the prestige goods

Sectors.

This will provide a springboard for further development opportunities with United Distillers, our

### Sandoz Net Up 'Over 10%'

Compiled by Our Staff From Dispatches BASEL - Sandoz AG, the Swiss company, said Thursday that its sales in 1993 rose 5 percent, and cost management. that its net income should rise

"over 10 percent." Sales totaled 15.1 billion Swiss francs (\$10.33 billion), in line with most market forecasts. The company attributed the gain to the "incenticals sales as well as a strong cent and one used to treat schizoperformance by its core chemicals phrenia climbed 60 percent. and environmental products.

Management said the rise in net income, from 1.5 billion francs in 1992, was expected to result from

The company's shares dipped 25 francs to 4,225 francs. Sandoz said that pharmaceutical sales had risen 10 percent in the

fourth quarter from a year ago, noting that sales of a product used in organ transplants rose 15 per-(Bloomherg, AFX)

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Thursday's Closing Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

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# Continued from Page 11 cording to surveys done by J.D. Power & Associates, a California-based marketing research firm. That perception often caused forcing the surveys with General Motors Corp. at a jointly owned company, a jointly owned company, a jointly owned company, a construct the same assembly lines. U.S. consenses of Japanese products the prices of Japanese products and products built on the same assembly lines. U.S. consenses or surveys repeatedly showed that built or the same assembly lines. U.S. consenses or surveys repeatedly showed that built or the same assembly lines. U.S. consenses or surveys repeatedly showed that built or the same assembly lines. U.S. consenses or Japanese products of Japanese products of Japanese products and products of Japanese products of Japanese products of Japanese products of Japanese products and products of Japanese products of Japan

eign auto companies to emphasize the "German engineering" or the "Japanese quality" of their prod-ucts, Power and other analysts said.

Honda officials, for example, Consider the Geo Prizm and spent much time assuring prospective buyers that its Ohio cars were identical compact cars from a GMbuilt under Japanese direction and Toyota joint venture, both made by

Japanese know how paid off.

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Corp. at a jointly owned company, New United Motor Manufacturing Inc. in Fremont, California. The strategic boasting about good old Japanese know-how raid off outh Laser, identical sports coupes built by the same workers in Illi-

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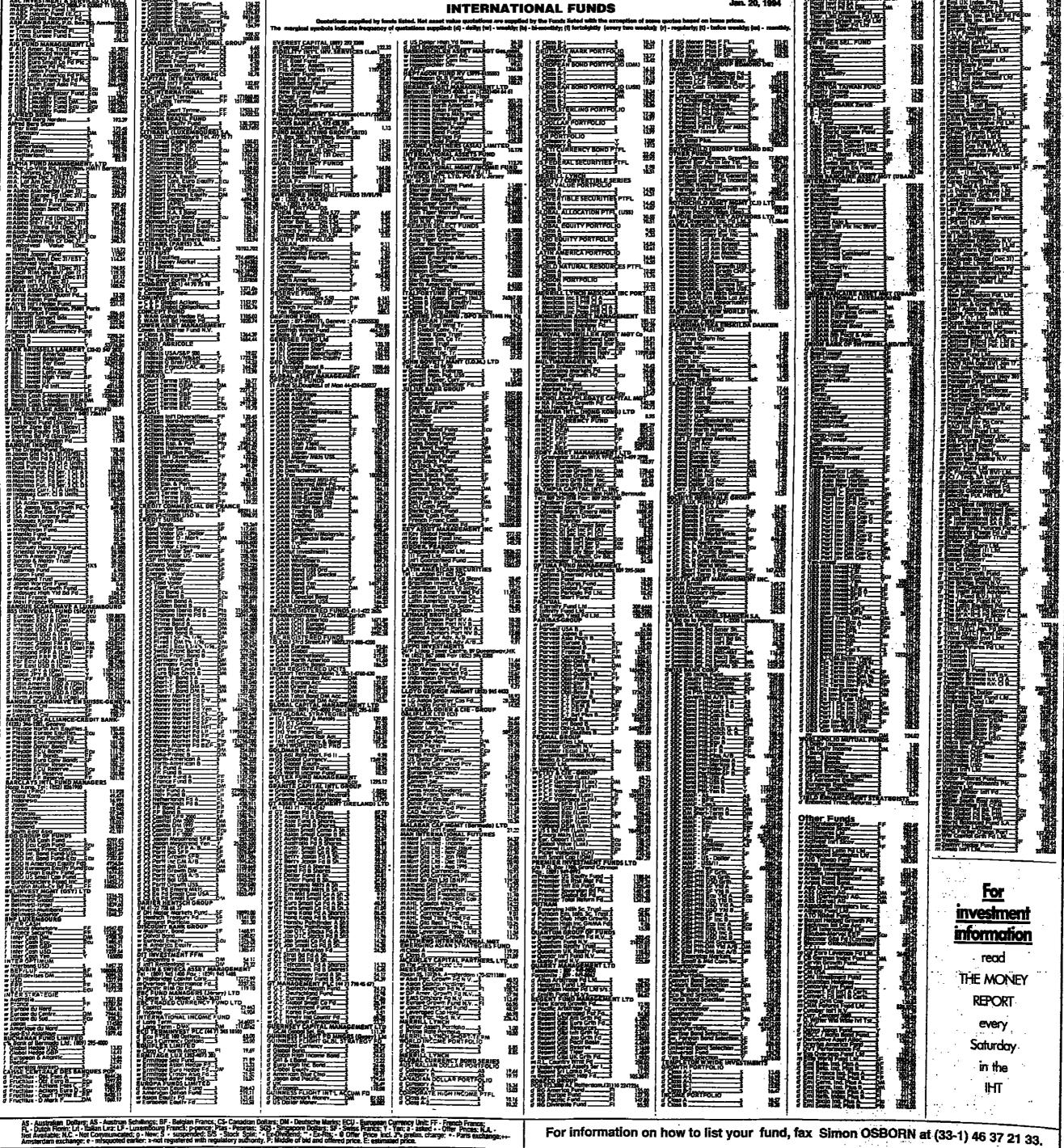
But economics and experience

automakers are transferring more of their production to the United States, where auto manufacturing costs are \$16 to \$17 an hour less

than they are in Japan.

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### Malaysia Stocks Fall as Investors Look Elsewhere

that boomed last year to markets that are now considered less expen-

sive, such as Japan's. Credit restric-

tions at brokerages, which reduce the number of buyers, have exacer-

bated Malaysia's price declines.

The market should remain soft

Lingui Development Bhd. wa

the day's big loser, falling to 11.60 ringgit (\$4.25) a share, down 4.40, or 27.5 percent, after saying it

would acquire several timber-relat-

ed companies in return for new

Analysts said it appeared the deal would give Lingui processing capabilities but no timber conces-

sajanamies out no innear traces sion, which may have disturbed in-vestors. Lingui also received no guarantee of profit, in contrast to earlier such deals, they said. But analysis said the speed with which

investors moved to take out their

profits in Lingui probably mainly reflected the pessimism of a market that had been recently bullish

about nearly any timber stock. Razani Radzi, an investment an-

alyst at Pesaka Jardine Fleming,

said that if the deal had been an-

Reuters reported.

three months,"

The second of th

KUALA LUMPUR - Malay sia's benchmark stock index fell nearly 3 percent Thursday as inves-tors failed to react to positive news about a major timber company -a stark contrast with last year's enthusiasm for the industry, analysts

for a while," Phuah Eng Chye, re-search manager at PB Securities, said. "We are looking at one to The Kuala Lumpur Stock Ex-change's composite index dropped 31.76 points, or 2.94 percent, to

The benchmark index has fallen 18 percent this year, part of a regional downturn that has seen institutional funds shifting away

#### Samsung's Eye Focuses on Cars

SEOUL — Samsung Group is gearing up to snatch a share of the nation's growing car industry, which posted records in sales and exports last year, Samsung officials said Thurs-

day,
We are actively negotiating with several foreign carmakers to form joint ventures," said Lee Kyu-sung, a spokesman for Samsung Heavy Industries Co., a unit of Samsung Group. He expects a decision at the end of April.

Toyota Motor Corp. and Nissan Motor Co. of Japan, along with Germany's Volkswagen AG and Sweden's Volvo AB, have made offers for links with Samsung, Mr. Lee said. Samsung Heavy is building a truck assembly line with Nissan technology but has no passenger car license.

### Foreign Role to Grow in Taiwan Land of High Rates Seen Admitting More Outsiders

By Kevin Murphy

tional Herald Tribune TAIPEI - Is the strong foreign demand that helped spark a four-month rally in Tai-wan's stock market about to spill over into its domestic bond market with equal force? It probably won't happen next week, or next month; but, as Taiwan moves to broadly fiberalize its financial markets, it could hap-pen sooner than many people think, say a few foreigners who are building up their debt-

"This market is a lot more liquid than most people are aware," Steven Kwiatkowski, ex-ecutive vice president of Springfield Finan-

"It has all the right ingredients." he said.
"Taiwan is flooded with idle cash, interest
rates are relatively high, and securities compamies have problerated in recent years." But government restrictions on foreign capital inflows, a relative dearth of corporate issuers and some lack of sophistication in the products available is keeping foreigners largely out of the fray — for now.

Although Taiwan's economic planners are among the most conservative in Asia, the government has routinely tapped the local bond market for funds.

When the governing Knomintang, or Nationalist Party, began talking about a six-year, \$300 billion infrastructure development plan a few years ago, it was widely assumed

through the bond market, and many feared that a big increase in demand for capital

could swamp it.

That ambitious program has since been scaled back by about \$100 billion, and the market has comfortably digested a borrowing

#### ASIAN MONEY MARKETS

program with new issues of 40 billion Taiwan dollars (\$1.51 billion) every other month. Until the current stock market rally began in October, bonds were the investment of choice for local investors, who found the flat stock market less alluring than bond yields that had been kept up by a central bank

decision to keep interest rates high.

As a result of the central bank's strong aversion to inflation, its concern for the stability of the Taiwan dollar and its desire to give investors a reason to not send their funds to China, yields on the 10-year and sevenyear government bonds sold to primary dealers at the latest auction averaged a healthy

7.34 percent and 6.86 percent, respectively. In Taiwan as in most other parts of Asia, bonds, if issued at all, tend to be held by investors to maturity. And traditionally, corporations have found issuing equity or arranging bank loans an easier and often

cheaper way to raise cash.
"Ten years ago, people didn't know what

bonds were," Mr. Kwiatkowski said. "And there was little reason to find out, when all it took was one phone call to your bank to get a line of credit expanded."

Change is coming, in response to both internal and external pressures. But foreigners until now have played only a minor role. No foreign institution is authorized to act as a primary dealer in the market, and most of the foreign companies autho-

rized to invest in Taiwan securities since 1991 have favored the stock market. At the same time, the central bank, worried about capital inflows, has decided not to raise its \$5 billion limit on total foreign investment in Taiwan securities, so the only potential foreign bond investors are likely to be those

whose entry has already been approved.

Analysis, however, see two powerful agents for change: Taiwan's request to join the General Agreement on Tariffs and Trade and, related to that, Washington's renewed push to speed the opening of Asian financial mar-

kets to foreign players.
"They will try to resist pressure as long as they can," Mr. Kwiatkowski said of Taiwan's

financial policymakers.
"I don't think the U.S. wants to see Taiwan become more vulnerable," he said. But he said Treasury Secretary Lloyd Bentsen, on his current Asian trip, and other American officials have demonstrated lately that "they are serious about financial liberalization."

#### Investor's Asia Hong Kong Singapore Tokyo Heng Seng Straits Times Nikkei 225 17003-A S ON D J Exchange index Thursday Piev. Change Close Hong Kong Hang Seng 11,264.80 11,363.70 -0.87 Sincapore 2,259.28 2,303.30 All Ordinaries 2.286.20 · 2.248.20 Tokyo 19,183.92 19,039.40 +0.76 Kuala Lumpur Composite 1.050.02 1,081.78 2.94 Bangkok 1,398,30 1,459.74 -4.21 Composite Stock . 878.29 887.16 -1.00 Weighted Price 5,809.65 5,910.33 -1.70 Composite NZSE-40 2,286.58 1,840.25 -2.37 Bombay

#### Very briefly:

GMG

Japan's principal measure of money supply, M2 plus certificates of deposit, rose 1.5 percent in December from a year earlier, the Bank of Japan said. The measure includes cash, money funds and many deposits, but not the large sums kept by consumers in the postal savings system.

• Philips Taiwan, a unit of the Dutch electronics giant Philips NV, is in talks with several Taiwan manufacturers about licensing CD-ROM computer technology, a spokesman said.

 Kokusai Denshin Denwa Co., Japan's largest international telecommunications company, said it would invest I trillion yen (\$9.01 billion) by 2010 to develop a new telecommunications network.

• Taiwan announced a further easing of restrictions on indirect investments that companies can make in China; 15 categories of businesses were given clearance, including construction and machine-leasing, the deputy economics minister. Lee Shu-jeou, said.

 Mitsubishi Motors Corp. projected a 15 percent gain in vehicle production abroad, to 590,000 units this year, after growth of 18 percent in 1993. PT Risu Andsisu Pulp & Paper said it would build the world's bigges pulp and paper plant, in the Rian archipelago of Indonesia, with a total investment of \$1.42 billion, according to local press reports.

• Sumitome Coal Mining Co. said it would close its last coal mine in Japan because domestic coal could no longer compete with cheap imports and the company's losses were rising sharply.

Bloomberg, AFP, AP, AFX

## Data Show Taiwan Economic Upturn

nounced last year, Lingui's stock might have soared to 20 ringgit. TAIPEI -- Trade and industrial ■ Exchange Won't Expand production figures released on Thursday suggested Taiwan's econ-The chairman of the Kuala Lumpur Stock Exchange has rejected a omy is rebounding strongly from call to set up a second exchange to its moderate slowdown in the second exchange volume, oud half of last year, analysts said.

"This is caused mainly by the "People elsewhere are talking U.S. economic recovery and the coot merging their existing mar-strong performance of Taiwan's about merging their existing mar-kets," Nik Mohamed Din said in computer and information industry," said Yang Tsai-yuan, director of the Economics Ministry's statisresponse to a suggestion by the Malaysian Investors' Association that another exchange should be

tics department. formed to complement the Knala Taiwan is likely to raise its official Gross National Product

strong in the next month or two, analysts said.

Export orders for Taiwanese goods surged 7.97 percent from a had gotten moderately stronger in year earlier to \$7.49 billion in December, exceeding last year's over-all growth rate of 6.13 percent. Orders from the United States,

Taiwan's biggest market, climbed 10.55 percent from a year ago to \$2.51 billion in December. Total orders for information and communications equipment soared 46.68 percent to \$883 million.

this year if the data remain as Taiwan Institute of Economic Research, said depreciation of the Taiwan dollar last year had helped boost exports, though the currency

> recent weeks. The government also announced that Taiwan's industrial output, which had been sluggish for most of the year, jumped 5.76 percent from a year earlier in December, far exceeding last year's overall growth rate of 3.42 percent.

Once again, Taiwan's information equipment and electronics in-

Daniel Chen, a director at the dustry fueled the growth, with output up 12.75 percent from a year earlier in December. "Although Taiwan's economic

growth now depends more on the

service industry, higher industrial output growth will have a knock-on effect in the whole economy," said Wu Hui-lin at the Chung-hwa Institution for Economic Research. Taiwan's GNP grew an estimated 6.03 percent last year but annual growth slowed to 5.78 percent in.

the third quarter, hit by the global slowdown and cutbacks in domestic infrastructure projects.

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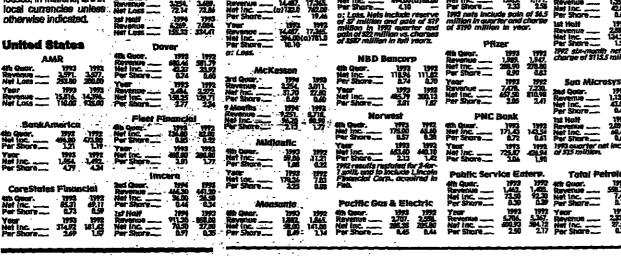
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COMPANY RESULTS



#### STAR TV Beset by Woes? Its New Chief Is Dismissive ous problems: litigation with an

HONG KONG — Gary Davey, advertising sales agent in Taiwan, the new chief executive of the sateldenied Thursday that its fortunes have been lackluster since Rupert

Murdoch bought 63.6 percent last year.

Mr. Davey, former deputy managing director at British Sky Broadcasting, said prospects are bright, but he plans no major changes in the way STAR does business, particularly in China.

An Australian who is said to have been handpicked for the job by Mr. Murdoch, Mr. Davey, 39, is not ruffled by the company's vari-

ntor in Hong Kong, changes in

"Name me a business of this size that doesn't have some bitigation going on," Mr. Davey said after a week in the job. "When you are dealing with complex contracts and complex relationships it's inevitable."

STAR insiders say Mr. Mardoch is moving to Hong Kong next month to help smooth things over.

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## **SPORTS**

## Regaining Her Nerve, Sabatini Gains Victory

The Associated Press

MELBOURNE - Gabriela Sabatini, the Argentine baseliner who has a reputation for blowing matches she should have won, regained her composure Thursday night at the Austra-lian Open to win a difficult second-round match against Natalia Medvedeva of Ukraine. Sabatini, the No. 4 seed, let Medvedeva claw back from 1-5 to 5-5 in the third set before

winning the match on her sixth match point, 6-Medvedeva made an astounding 51 unforced errors but kept herself in the contest with some

deep groundstrokes. Coming close is not good enough any more," she said, tears in her eyes. "I know I can

After squandering five match points, Sabatini won the 2-hour, 8-minute match with a backhand volley and said, "I had some difficult

moments. She plays good when she's losing and it felt like I couldn't finish it.

"At 5-5 I started to think I could lose, but I played it point by point and did what I had to

No. 2 seed Aranxta Sanchez Vicario of Spain and No. 5 seed Jana Novotna of the Czech Republic also advanced to the round of 32. Stefan Edberg and Mats Wilander, champions of the previous decade, showed earlier in

the day that they still have plenty to offer the men's game in 1994. The Swedes, winners of five Australian Open

titles between them, each posted an impressive victory to advance to the third round. Edhers, the No. 4 seed and Australian Open winner in 1985 and 1987, recovered from an early slump to beat a Dutch left-hander, Jan Siemerink, 4-6, 6-2, 6-1, 6-1, ending the match

with an ace. Wilander, who was given a wild card as he continues his comeback after knee surgery, beat Olivier Delaitre of France, 6-1, 2-6, 7-5, 6-4. Wilander, 29, won the Australian Open in

1983, 1984 and 1988, but has been in semiretirement for the past three years. "I played a lot better today, a lot better than

Edberg and Wilander were joined in the last

my first match." he said.

32 by three other Swedes, Lars Jonsson, Henrik Holm and Jonas Svensson.

Jonsson defeated Youanes Aynaoui of Mo-

rocco, 7-6 (7-5), 6-7 (3-7), 6-1, 6-3; Holm downed Australian Todd Woodbridge, 6-4, 7-6 (10-8), 5-7, 4-6, 7-5, and Svensson beat Stefano Pescosolido of Italy, 6-2, 7-5, 7-5, to bolster the Swedish representation in the third round to seven, the most of any nation.

Magnus Gustafsson, the No. 10 seed, and Nicklas Kulti advanced Wednesday, but not all the Swedes were successful. Todd Martin of the United States, seeded

ninth, beat Jonas Bjorkman, 6-3, 6-4, 6-0, and Xavier Daufresne of Belgium downed Thomas Engvist, 6-3, 6-2, 7-6 (9-7). Thomas Muster, the feisty sixth seed from

Austria, beat Kenneth Carlsen of Denmark, 6-4, 6-4, 6-2, in a match that featured several acrimonious disputes over line calls.

MahVai Washington of the United States, who beat the No. 2 seed, Michael Stich, in the first round, led Andrei Cherkasov of Russia 6-4, 2-6, 5-2, when rain ended play on outside courts for the day. The match will be concluded

Sánchez Vicario ousted Wang Shi-ting of Taiwan, 6-2, 6-4, but said that "I tried to get it over too quickly and I made some mistakes." She needed eight match points before clinching the victory.

Novotna cruised to a 6-3, 6-1 victory over Helen Kelesi of Canada, while eighth seed Manuela Maleeva-Fragnière of Switzerland, who is playing her final major tournament before retiring, defeated Catalina Cristea of Romania, 5-7, 6-4, 6-4.

Sabine Hack of Germany eliminated the former U.S. Open champion Tracy Austin, playing her first Grand Slam in more than a decade, 6-1, 5-7, 6-2, in a match that Austin described

as "a war of attrition." The No. 9 seed, Mary Pierce of France, struggled past American Linda Harvey-Wild, 6-7 (4-7), 7-5, 6-3, while Magdalena Maleeva of ilgaria, seeded 14th, led Naoko Sawamatsu of Japan, 6-2, 1-1, when the rain started. Arnaud Boetsch of France, the men's 16th

seed, withdrew from the tournament citing si-

Thomas Muster won a match, anguly,

ous problems, letting Alexander Mronz of Ger-

Alexander Volkov of Russia, the No. 12 seed and a U.S. Open semifinalist last year, progressed to the third round by defeating the Australian Davis Cup player Richard Fromberg, 7-6 (9-7), 6-3, 6-3.

Karel Novacek of the Czech Republic, seeded 14th, struggled by Swedish qualifier Lars-Anders Wahlgren, 6-4, 7-6 (13-11), 7-6 (9-7), while Fabrice Santoro won a fiercely contested all-French match against Rodolphe Gilbert, 7-5, 5-7, 2-6, 7-5, 6-0,

## Majors to Have 3 Divisions in '94

By Claire Smith New York Times Service

FORT LAUDERDALE, Florida — The major league baseball owners, continuing their attempt to change the very nature of how their sport is run, have redrawn another part of the game.

They reached agreement with the players association on the realign-ment of the leagues from two divisions to three and the addition of an extra tier of playoffs. Although the changes are guar-

anteed only for the coming season, the agreement is as historic as the new revenue-sharing plan ham-mered out between the large- and small-market clubs a day before. For the first time, the major leagues, long the professional U.S. sport with the narrowest and most discriminating playoff field, will allow its two leagues to increase the number of playoff teams from two to four and include its first wild-

Those four advancing chubs will include the three division winners and the team with the best record among nondivision winners. The number of playoff teams will total eight, compared with 12 for the National Football League, 16 for the National Basketball Association and 16 for the National Hock-

The American and National Leagues enter this season not only with East and West divisions but also with Central divisions.

The new formats will feature balanced schedules under which each team would play two home series and two road series against each other, regardless of division. That means that in the two divi-

sions that have four teams, the

West division in each league, teams

would play approximately onefourth of their games against divi-Once in the playoffs, the division

would play the wild-card team, un- chief labor negotiator, who made the 28 clubs passed a resolution less the two teams came from the the announcement. same division. If they did, the wild-card team would play the division on this issue beyond this coming

winner with the second-best record. season would have to be negotiated The other playoff would be be- as a part of collective bargaining on tween the remaining two division a new labor agreement.

winners: Once the three-of-fivegame series ends, the four-of-seven-game league championship senies would proceed, followed by the including shortening the season. four-of-seven-game World Series.

After months of negotiations, "The owners did not feel this was the new format finally came about on the final day of the annual meetings here because the owners. agreed to compensate players using one of several formats put forth by to find points of agreement with the players association.

It had to agree because the owners were increasing the amount of games the players would have to

"Essentially we have committed said of the new system, "We think to accept the union proposal that it's good for the game, or we the players will receive 80 percent wouldn't have agreed to it." of the gate of the first three games," said Richard Ravitch, the owners' mams to be seen. Last September,

told the search committee that they

winner with the best overall record ity. But at least 16 of the 28 clubs

calling for a new divisional alignment that would be used for a minimum of four years, or the length of the next bargaining agreement, whichever is longer.

"Nobody's quite sure what the public response will be," Mr. Ra-vitch said. "We will learn a lot from The agreement is not based on

this year." The realigned divisions will be: National League East: Atlanta, Florida, Montreal, New York Mets, Philadelphia.

the occasion to have extensive but-National League Central: Cingaining over relatively small cinnati, Chicago Cubs, Houston, amounts of money. This was not an Pittsburgh, St. Louis. issue of principle. This is to get on

National League West: Colorado, Los Angeles, San Diego, San American League East: Balti-

nore, Boston, Detroit, New York

Yankers, Toronto. American League Central: Chicago White Sox, Cleveland, Kansas City, Milwankee, Minnesota. American League West: Califor-

### Search for Commissioner Called Off

In the end Mr. Ravitch said,

the union, to work with them to try

to get a more rational economic

system in baseball. That's what's

Donald Fehr, the union chief,

Whether it lives beyond 1994 re-

important."

FORT LAUDERDALE, Florida - There will be six divisions and expanded playoffs this season. but no commissioner.

Before adjourning their quarter-ly meeting, the owners decided to suspend the yearlong search for a commissioner until they negotiate a labor agreement, which likely will take until August or September.

The Milwankee Brewers' president, Bud Selig, agreed to continue running baseball as chairman of the governing executive council. He has repeatedly ruled himself out as a candidate for the permanent job.

When they convened, the selec-

NHL Standings

opposed bringing in someone new when the sport is confronted with complex economic issues.

The owners never voted on the

finalists for the job: the U.S. Olympic Committee's executive director, Harvey Schiller, and Northwestern University's president, Arnold We-

"It became increasingly clear that we could best be led through this critical time by perhaps the only person who fully understands this journey," said the head of the search committee, Bill Bartholomay, who is chairman of the Atlanta Braves. "The task for a new commissioner is great under normal conditions and nearly impossible during these times."

The owners also set the stage for labor negotiations, which could begin as early as March, by adopting a resolution that might make an agreement with the union more difficult to achieve.

Ratification of any settlement will now require 75-percent approval. In the past, only a majority vote was needed. The change means a bloc of just eight teams could stall a deal with the union, prompting or prolonging a strike or lockout.

Negotiations on a new collective bargaining agreement are expected to be difficult because management wants a salary cap to improve com-

#### Australian Open Results

MEN'S SINGLES, SECOND ROUND Alexander Volkov (12), Russia, del. Richard Fromberg, Australia, 7-6 (9-7), 6-3, 6-3; Mols Willonder, Sweder, def. Ollvier Delotine, Franca, 6-1, 2-6, 7-5, 6-4; Karel Nevacek (14), Czech Republic, del. Lars-Anders Wohlgren, Sweden, 6-4, 7-6 (13-11), 7-4 (9-7); Stefan Edbers (4), Sweden, del. Jam Stemerink, Netherlands, 4-6-2,6-1,6-1; Lars-Jonsson, Sweden, def. Yacunes El Aynacoul, Maracta, 7-4 (7-5), 6-7 (3-7), 6-1,6-3. Embries Santera, Franca, del. Rodobje Gil-6-2-1-6-1; Lars Jonsons, Sweden, def. Younes El Avnaoul, Merocco, 7-6 (7-5), 6-7 (3-7), 6-1,6-2. Fobrice Sontero-Fronce, def. Rodolohe Gil-bert, France, 7-5, 5-7, 2-6, 7-5, 6-9; Jones Svens-son, Sweden, def. Stefano Pescasolida, Italy, 6-2, 7-6, 7-5; Patrick Roffer, Austrolia, def. Jacob Eltingh, Netherlands, 6-4, 6-4, 1-9 (1-14), 6-2, 7-6 (10-8), 5-7, 4-6, 7-5; Xevier Doufreene, Belshum, def. Thomas Enaylst, Sweden, 6-3, 6-2, 7-4 (9-7). Alexander Muraz, Germany, def. Arnaud Boetisch (16), France, wallower; Todd Martin (7), U.S., def. Jones Blorkman, Sweden, 6-3, 6-4, 6-8; Guilliaume Rasun, France, def. Patrick Kutmen, Germany, 6-2, 7-5, 6-4; Thomas Muster (8), Austria, def. Kenneth Carlesch, Denmark, 6-4, 6-4, 6-2; Alex Antonitsch, Austria, def. Jamie Morgan, Australia, 7-5, 1-9 retired.

Romana Tedjakusuma. Indoneska, def. Pa-tricki Tarabini, Arpentina, 6-2,7-6 (7-2) Seote Reinstadler, Austria, def. Name Dohlman, Finland, 6-3, 4-6, 7-5; Jane Toylor, Australia, def. Christina Singer, Germany, 7-5, 4-4, 7-5; Ana Grassman, U.S., def. Trationa. Ignatieva, Belarus, 6-1, An. E. WOMEN'S SINGLES, SECOND ROUND ilgi Fernandez, U.S., det, Yone Kamio, Japan, -1,6-2; Jana Navalna (51, Czech Republic, def. ien Kelesi, Canada, 6-3, 6-1,

#### **SCOREBOARD**

### BASKETBALL

EASTERN CONFERENCE WESTERN CONFERENCE LA Clipper:

Son Antionio 23 29 27 38-108
New York 33 36 25 31-129
S: Elits 9-17-2-424, Del Negro 7-9-8-82. N.Y.:
Ewing 15-28 5-7 35, Startes 10-18 2-4 26. Rebeands—Son Antionio 40 (Rodman 20), New
York 54 (Ewing 10), Assists—Son Antionio 24
(W. Anderson 7), New York 31 (Antibony,
Storks, Horper 8).

L.A.: Horper 9-24 2-3 21, Aguirre 7-17 3-3 20. O: Anderson 9-17 2-3 20, O'Neot 17-27 6-11 40. Rebounds—Los Angeles 52 (Horper 11), Or-

Clackon 19), Orlando 26 (Hardsawy 5).

Politodelphia 28 25 18 35—183
Charlottle P: Weathersoon 11-21-3-125, Barros 7-13-2.

18. C: Mourains 7-14 13-12 27, Curry 9-15-2-2.

Restrement. Politodelphia 56 (Weathersoon 19). Rebounds—Philodelphia 56 (Weathernsoon 11),Chariotte 48 (Mourning 10), Assists—Phil-adelphia 23 (Hornacek 8), Chariotte 31 (Be-

46 (Willis 8), Assists—Golden Stote 26 (John-sen 8), Attento 37 (Bloviock 16), Alabama 7 Allami 13 28 20 37.— 72 Cent. Flori Indiana 30 27 22 38—199 Chodel 68. ladiose 39 27 22 28—199 Citodel & Devidson 61 Mr. Smith 3-77-713, Gelser 5-74-14.1: Miller 4- Florida St. 60, Clemson 57 20 7-721. Scott 3-14-2-21. Rebeauds—Mileria 45 George Moson 97, Richmond 92 (Show 11), Indicano 51 (M. Devis 11), Astistia— George Moson 97, Richmond 92 Mileria 12 (Smith 7), Indicano 27 (Workman 7). James Modison 99, American 1 Woshington 19 21 23 23—63 Mass. Veriley St. 89, Orel Robert W: Gugillotte 7-15-6-7-20. Cheano 91 4-13-519. Mississippl St. 72, Artonsos 71 Rebeauds—Woshington 50 Gugillotte 151, Morray St. 82, Memphis St. 77 Cheano 51 (Pipopen 11). Assistia—Woshington 50 outh Carolina 64, Tempessee 46 (Shaw 11), Indiana 51 (A. Dovis 11), Assista-Miami 21 (Smith 7), Indiana 27 (Workman 7) Washinaton 20 7-7 21, Scott 7-14 2-2 21, Rebou

8: Perish 6-11 5-12 17, Brown 5-10 6-7 16, D: Jockson 10-26 7-7 27, Mashburn 4-16 1-2 19, Rabounds—Boston 54 (Parish 10), Dallas 56

All nuesota 29 15 18 25—97 Cieveland 18 21 27 16—92 Bradley 81, Itilinais St. 79, OT New Jersey 27 28 30 25—112 Utoh 28 26 25 25—184 Buffer 75, Laylois, III. 59
M: West 7-17 3-4 17, Rider 7-18 2-2 16. M.J.: C. Dougherty 6-12 10-18 22, Price 7-13 7-8 24, Detroit Marcy 80, Evensytlie 68 Colored 91, New Jersey 53 (Schintzius 10). Resource 7-2 Assists—Cleveland 44 (Dougherty 12), Assists—Cleveland 17 (Price 6), Utoh 25 (Shockton 16). Santific St. 10 of 18 (Short of Akron, ppd., weather 69, New Jersey 25 (Anderson 9). New Jersey 25 (Anderson 9). New Jersey 25 (Anderson 9). Santific St. 10 of 19 (Price 6), Utoh 25 (Shockton 16). Santific St. 10 of 19 (Price 6), Utoh 25 (Shockton 16). Santific St. 10 of 19 (Price 6), Utoh 25 (Shockton 16). Santific St. 10 of 19 (Price 6), Utoh 25 (Shockton 16). Santific St. 10 of 19 (Price 6), Utoh 25 (Shockton 16). Santific St. 10 of 19 (Price 6), Utoh 25 (Shockton 16). Santific St. 10 of 19 (Price 6), Utoh 25 (Shockton 16). Santific St. 10 of 19 (Price 6), Utoh 25 (Shockton 16). Santific St. 10 of 19 (Price 6), Utoh 25 (Shockton 16). Santific St. 10 of 19 (Price 6), Utoh 25 (Shockton 16). Santific St. 10 of 19 (Price 6), Utoh 25 (Shockton 16). Santific St. 10 of 19 (Price 6), Utoh 25 (Shockton 16). Santific St. 10 of 19 (Price 6), Utoh 25 (Shockton 16). Santific St. 10 of 19 (Price 6), Utoh 25 (Shockton 16). Santific St. 10 of 19 (Price 6), Utoh 25 (Shockton 16). Santific St. 10 of 19 (Price 6), Utoh 25 (Shockton 16). Santific St. 10 of 19 (Price 6), Utoh 25 (Shockton 16). Santific St. 10 of 19 (Price 6), Utoh 25 (Shockton 16). Santific St. 10 of 19 (Price 6), Utoh 25 (Shockton 16). Santific St. 10 of 19 (Price 6), Utoh 25 (Shockton 16). Santific St. 10 of 19 (Price 6), Utoh 25 (Shockton 16). Santific St. 10 of 19 (Price 6), Utoh 25 (Shockton 16). Santific St. 10 of 19 (Price 6), Utoh 25 (Shockton 16). Santific St. 10 of 19 (Price 6), Utoh 25 (Shockton 16). Santific St. 10 of 19 (Price 6), Utoh 25 (Shockton 16). Santific St. 10 of 19 (Price 6), Utoh 25 (Shockton 16). Santific St. 10 

Simmons 4-97-8 4-12 4-4 15, Reb nons 4-9 7-8 15, Wilson 7-14 4-6 18, Wil 5. Rebounds—Souttle 51 (Case 9), no 48 (Wilson 9), Assists—Souttle 28

Anny 92, Bucknett 90, OT
Connecticut 79, Providence 78
Duquesne 79, Rhode Island 62
Lafayette 77, Nayy 97
Lehigh at Fordham, ppd., weather
Md.-Battimors County at Towson St., ppd.,
Missean 88, British 20 Gelden State 27 24 33 36—128 Md-Baltimora County at Towson St Affectio 19 34 32—119 Md-Baltimora County at Towson St Magara 82, Bartisto 75 Wilkins 16-27 5-5 37, Ferrell 11-14 1-1 23. Rebunds—Golden State 52 (Mullia 11), Atlanta 45 (Willis 8), Assists—Golden State 26 (Johnson 8), Atlanta 37 (Baltimora 51), Atlanta 38 (Baltimora 51), Atlanta 39 (Baltimora 51), Atlanta 31 (Baltimora 51), Atlanta 31

SOUTH Alabama 71, LSU 67 ida 79. Florida Atlantic 59 South Carolina 64. Tennessee 42 Tennessee 51. 66. Middle Tenn. 56 Vanderbilt 71, Georgia 67 Virginia 81, North Carolina 77

Wake Parest 67, Georgia Tech 63 William & Mary 86, East Caroline

Oklahoma St. 68. SW Missour! St. 6

Toledo 72, Boll St. 69, OT sukpe 67, N. (jilingis 45 Xovier, Oblo 22, Clad Ark-Pine Bluff &L Alcom St. 59

Texas 110, Baylor 85
Texas A&M 67, Houston 40
FAR WEST
CS Northridge at Air Force, ppd.,

SOCCER

Middlesbrough 1, Cordiff 2 Notifinghom Forest 0, Sheffield Portsmouth 1, Blockburn 3 Tottenhom 1, Peterborough 1 (Tottenhom won 54 on penalties)
INTERNATIONAL PRIENDLIES garig 1, Mexico 1 way 0, Casta Rica 0

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EASTERN CONFERENCE

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Pirst Perind: D-Konistantinov 8 (Yzerrama, Cine
pop. A-Ewen 7 (Yako); D-Yzerram 19 (Sheppard, Coffey); pp.). D-Zerlov 2 (MaCosriv, BoroCoffeny); (pp.). Second Period: D-McCoriv 8 hro
Coricon 16 (McSween, Dollon); (pp.). Shebs as sect: A (on Cascod, Chevvideo) 9-13-7-3-30, D
(on Heisert) 9-15-13-3-39,
ILY, Islanders 3 8 6 8-3 She
Tempe Bay I 1 1 1-4
Pixel Period: N.Y.-Gram 12 (Delgariso-MoNie

Tempe Ber | 1 | 1 | -4 | shirt period; KL-McKovi | 1 | 1 | -4 | shirt period; KL-McKovi | shirt period; Cristina | s

Hersford
First Period: T-Ellett 6 (Andrevchule, Borschevsky); (pp), H-Verbeek 24 (Storm, Petrick), Second. Period: H-Nylander 8 (Kren,

Edition No.

Second Period: 8-Bornoby 2 (Mookiny, Muni), Third Period: E-Arnolt 16 (Olousson, Beers), Shots on gool: E (on Mook) 8-9-1—26, 8 (on Rombord) 7-17-8-29,

Boston I I 1 6-3

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petitive balance. Players oppose any limits on salaries. Montgomery 2 (Lopertiere); P-Fedyk 12 (Goller), Shets on gool; B (on Roy) 3-16-7-3-34 M (ey); (pp), 1P-Foust 2 (Brindfamour, Diness); (on Comy) 7-2-13-2-35 lein), Shets or gool: B (on Roy) 9-16-7-3-34 M (on Casey) 7-7-13-2-29.
Weekington 0 1 9-4
Floride 1 2 2-5
First Period: FBalanger 9 (Niedermayer, Aelitanby); (pp), Second Period: Fitudelpid 28 (Belanger, Lomoldn); (pp), FMelitadby 18 (Michimanyer, Sarves); (pp), W-Burridge 15 (Michiman, Hunter), Thori Berhart - Skrintskin) 9

(Medernayer, Barnes): (pp), W-Burridge 15 (lakvie, Hunter), Third Period: FKudelski 29 Misdermayer). Shets on goal; N.J. (on Es. O'Nelli) -46-10-30, W (on Brodeur)-6-77-

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BASKETBALL



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Print answer here: A OOOOO OOOO Aunthor BOOTY TWEAK PHYSIC JURIST

> IN ALBANIA Hand delivery is now availa Just call (42) 23 502 Independent Albanian





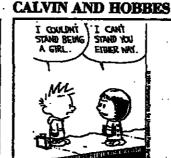


















#### WIZARD of ID





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### Bodyguard Further Links Skater Harding to Attack on Kerrigan

INTERNATIONAL HERALD TRIBUNE, FRIDAY, JANUARY 21, 1994

Compiled by Our Staff From Disputcies 
Leff Gillooty, offered a \$10,000 who could not immediately raise 
PORTLAND, Oregon — Tottyse 
Check from the U.S. Figure Skating 
The money, was being held until a 
anthonities say the attack was being 
The money of the plot to attack 
Association as a borus if the attack 
The money of the plot to U.S. figure skating rival Nancy on Kerrigan was carried out immeKerngan and at one point complained it was taking too long or
carry out, her bodyguard told The
Oregonian newspaper in an interstory below) was published a day
view published Thursday.

screwing around with this and get it deputy implicating Harding in the done," Shawn Eckardi quoted Har- Jan. 6 attack for the first time.

Eckardt also told the newspaper Gillooly was released on \$2,000 ter more than three years of marNew York City, where they were allow officials to place 13-year-old
that Harding's former husband, ball after his arraignment. Stant, riage, they had reconciled and were attending meetings on other issues. Michelle Kwan on the team if Har-

e on Bali

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You know, you need to stop lease of an affidavit from a sheriff's said Assistant District Attorney

ding as saying.

Shane Stant, the alleged assailTonya categorically denies ant in the attack, and Derrick those allegations," said Harding's Sanith, the alleged getaway driver, attorney, Dennis Rawinison. "We Eckardt and Gillooly have been believe Mr. Eckardt's lack of crediction charged with criminal conspiracy bility is already well documented." to commit assault.

the court would allow him to live with a relative under a form of house arrest.

Harding has not been charged and has denied any involvement. but remains under investigation, John Bradley said. Harding was questioned for 10 hours Tuesday by the FBI and the district attorney. Before the authorities announced the arrest of Gillooly, Harding said that she had again separated from him. Although they

were divorced five months ago af-

just before the U.S. championships. Harding won the women's title.

Claire Ferguson, president of the skating association, said its officials will vote next week on whether to keep Harding on the U.S team for next month's Olympics in Lille-

Schiller and the IOC's director

general, François Carrard, met in en's figure skating, which would New York City, where they were allow officials to place 13-year-old

"He told me they still consider this an American maner," Schiller said, "but he also said the IOC is the ultimate authority on Olympic participation."

The IOC can declare an athlete

ineligible for the Olympic Games, possibility of allowing the United States to have a third berth in womchampionships.
In Stoneham, Massachusetts,

Kerrigan skated for more than an hour Thursday morning and executed a double-axel.
"I did a little bit more today,"
she said afterward. "I feel great."

Her father, Dan Kerrigan, said: hammer, Norway. ineligible for the Olympic Games,
The U.S. Olympic Committee's and would be under no threat of a
executive director, Harvey Schiller,
lawsuit in a U.S. court if it did so.

and she landed that today and said be had discussed the issue with
Sources said the USOC has she did it beautifully. Her knee is a
sked the IOC to investigate the little stiff, but she's doing great." Neither Kerrigan nor anyone with her would comment on the arrest of Gillooly or the latest statements by Eckardt.

the attack would be made, to learn when Kerrigan was practicing.

Telephone company records show four calls from the Gillooly-Harding residence to the arena in East Dennis, Massachusetts, where Kerrigan practiced, the affidavit

A woman who identified herself as a manager at the rink but would not give her name said that some employees had received telephone calls from a woman asking when Kerrigan would practice during the time in question, but, she said, "We

The affidavit reflects evidence fessions of Eckardt and two other men, a statement by Eckardt's mother, bank records, money transfers, telephone logs and hotel records. It includes no information or allegations from Harding.

"The warrant was signed before" her meeting with the FBI and other law enforcement officials, said Norman W. Frink, a deputy district attorney. He said that the investigation was continuing and more arrests were possible. Asked if Gillooly was the "mas-

termind" of the group, Frink said, "If they were smart, we would not

### Just Like in the Movies

The Associated Press PORTLAND, Oregon — Here are excerpts from the interview with Shawn Eric Eckardt, by The Oregonian columnist Phil Stanford. Eckardt, 26, claimed the alleged plot to injure Nancy Kerrigan began when Har-ding's ex-husband, Jeff Gillooly, visited

Eckardt's office on Dec. 16 or 17. At the time, Eckardt said, he was operating his fledgling security business, World a Bodyguard Services Inc., from a room on the second floor of his parents' house.

Eckardt said he has known Gillooly since he was 5. During the past five or six years, Eckardt said he provided occasional security advice to Harding and Gillooly. He was never paid for those services, Eckardt said, but on occasion Gillooly and Harding would

take him out for dinner. When Gillooly visited last month, Eckardt said, Gillooly told him this was a chance to make big money guarding other skaters.

ECKARDT: "He you know, asked me if there was any way that I could find some-body to, you know, disable Naacy Kerrisan." OREGONIAN: "Is that the word he

used, disable?" ECKARDT: "Well, make it so she couldn't skate. That was more like the phrase he used ... And then he said, you know, when this happens, the skating world will be in an uproar and, you know, because

sports are becoming more violent... "And then he said I'd make a lot of money. Things like, 'How's it gooms feel driving that brand new ZRI Corvette? And, What's it gome be like having an office suite in one of the downtown buildings,' and all that other stuff."

Eckardt said another longtime friend Derrick Smith, 29, called shortly afterward to discuss Smith's plans to start an antiterrorist academy near Phoenix. Eckardi said he told Smith that Gillooly had asked him to find someone to disable Nancy Kerri-

and he'll do it."

Smith was referring to his nephew, Shane . Minoaka Stant, 22, who lives in Phoenix and has been charged, along with Eckardt, Smith and Gillooly, with conspiracy to commit assault in the Kerrigan attack.

with Gillooly on Dec. 27 or 28.
ECKARDT: "While we were waiting,
Derrick Smith asked me to tape the conversation so that he would be able to have leverage against Jeff at a later date. I put the tape recorder on the desk and put a paper

OREGONIAN: "When Smith told Gillooly he was here to help him, what did Gillooly say he wanted done?"

ECKARDT: "He told him how we was looking for someone to make sure that Nancy Kerrigan didn't skate in the nationals. OREGONIAN: "How specific did he

ECKARDT: "Well, he didn't. We started nouncing around ideas from one spectrum to the other. We started using terms like, well, Why don't we get rid of her? We'll get rid of her and stuff like that. "And then I really didn't want to be

involved in any murder conspiracy or any-thing. I mean, that just sort of red-flagged it in my mind right then. And we sorta basically sorta moved away from that."

OREGONIAN: "How? What else did

ECKARDT: "Well, I said, We don't need to do that . . . And Jeff said, What can we do less than that? And we started bouncing ideas around, like, well, you know, the stan-dard . . . I mean the sort of sort of things that you would see in the movies. Like, you know, damage to the hamstrings and Achil-

ies' tendons and things like that.

"And then left mentioned, well, her landing leg. If you do anything to her landing leg, she can't do a jump. She can't skate.

"It's a perfect ideal Disable her landing leg.

leg! She won't be able to strate! he said."

"Jeff had to wait because Touya had to come pick him up, because she had dropped him off. And when he left he was all excited and bubbly about all this money he was

him to find someone to insance twanty exact gain and asked him if he would be interested going to make."

gan and asked him if he would be interested going to make."

Eckardt claims. Smith and Gillooly also came up with the idea of leaving a note recommended by Gillooly?

Eckardt said Smith replied: "Yeah, we belind suggesting that the attack was the act of a crazed individual who was stalking and oit for that We'll pay Shane \$4,000, and the state of a crazed individual who was stalking and oit for that We'll pay Shane \$4,000, and the state of t all the top international skating stars.



Jayne Torvill and Christopher Dean danced back into the lead in Copenhagen.

Just cut (letters) out of magazines and paste

Eckardt said the plan began unraveling At this point, Eckardt claimed, the plan when Smith and Stant kept demanding more was to attack Kerrigan in her hotel room,

money and Gillooly, in turn, demanded results.

Eckardi claimed that Gillooly told him he had Harding's permission to spend the mon-ey on the alleged plot. He said he had been taking some painkillers for a bad back when

OREGONIAN: "Who were the other targets?"

ECKARDT: "Well, Tonya's name was on
it, Keirigan's name was on it, and some
other people I don't recall. Derrick told me:

taking some painkilers for a bac back when
Harding came skating up at a practice.

ECKARDT: "She said, "Hi, how's your
back?. How're you feeling?" I said, 'Oh, not
really well.' I feel like I'm drunk because I'm
on my pain medication.

"And then she said that she was . . . disapthem together... pointed that these guys weren't able to do "And Jeff keeps going: Yeah, you guys will be the bodyguards to the figure skaters." basn't it happened yet."

> which he says Harding identified for them. On the morning of Jan. 6, Eckardt said, he was awakened by a call from Gillooly, who told him that he'd just heard that Nancy Kerrigan had been attacked.

> A couple of hours later, Eckardt said, he was watching television when he saw Kerrigan lying on the floor, screaming and crying after the attack. He said he went into the bathroom and threw up.

## In Europe, a Time Warp

By Ian Thomsen cional Herald Tribune

sey, the Russian couple had their first child, a girl they named Daria, and within a month the mother resumed skaning. They were professional skaters touring America. new family, you would have thought, when suddenly they quit

did it, Sergei said, we would skate a But the scores were not changed. little better than we did as profesvery good to get in shape again. It kutenok. would help us in later life, and it In bra would be very good to get back in shape and in discipline again."

They make it sound as if they were deciding to join a health club. Gordeeva and her husband, Sergei Grinkov, now 26, were either world or Olympic pairs champions annually from 1986 until 1990. The routhen. They skate now with the undoing as youngsters until they were

On Wednesday night here they became the first of the former profes—"In this competition, everybody seen again a decade from now.

tions, but it was much harder to Other games might penalize time

For one month we had to skate one late Wednesday - four 6.0s and five rink one week, another rink anoth- 5.9s from the time judges — seem less COPENHAGEN - In New Jer- er week. We didn't know if we like a paycheck and more like a re-

would have ice tomorrow. Third were Natalia Mishkutenok and Artur Dmitriev, the 1992 Olympic champions, who earned six scores of 5.8 or better for artistic They were seeking security for their impression with their 4 minute. 30 second free program. They might have been second had not the Czech their job, returned to Moscow and began to prepare for the Olympic Games as they had as teenagers. judge erred during the short program Tuesday. After awarding them low marks of 4.4 and 4.7 out of a Games as they had as teenagers. fow marks of 4.4 and 4.7 out of a "It wasn't a quick decision." said Ekaterina Gordeeva, 22 years old raising her hand to indicate that the and a mother for 16 months. "If we scores should have read 5.4 and 5.7.

"I think if I can make some missionals. He said it didn't matter takes in competition, judges can how we competed, but it would be make some mistakes," said Mish-

In bracing to take on the new boss (same as the old boss). Mishkutenok and Dmitriev have put in a difficult program entitled "Symphony of Emotions." It hasn't been easy for them. Asked to describe the story told by their presentation, Dmitriev shrugged and said, "I think it's a very long story for this times of competition exhausted her time. I will tell you another time."

Under the traditional rules, they derstanding that someone like Jen-nifer Capriati craves, that they stretch themselves, while the newnifer Capriati craves, that they stretch themselves, while the new-couldn't appreciate what they were comers — Shishkova and Naumov moved them into a tie for first with - would have been high contendold enough to try something else. ers in the Olympics next month.

sionals to win a major international wants to know what I think about competition, skating to their third the professionals coming back," ropean pairs title ahead of two Naumov said. "It is not my deciother Russian couples. These are sion. Everyone has the right to worthy snapshots for figure skating, come back if they feel the need to times not likely to be recreated -- not come back. It is more difficult for us challengers Friday night in the free only the past competing with the as amateurs to compete with those present, but the sight, taken for granted, of three Russian pairs on the awards podium. Likely it will not be when we have this situation, we will it mean that the sport has failed must struggle. I think it is very "Now is much better the condi-

"It was a big problem to have ice. Artistic scores such as they earned next four years."

ward to Gordeeva and Grinkov.

"Sergei says he is feeling everything much more right now," Gordeeva said. "He says before it was not like he was a machine, but he didn't feel everything enough. Now we try to feel everything."

On Thursday afternoon the gate was opened for Jayne Torvil and Christopher Dean of Britain, the Olympic ice dancing champions 10 years ago who have come back now to test themselves against time. After a few laps around the rink they stood in silence in the corner like ghosts, watching their descendants preparing. Eventually, pair after pair had to skate off the ice past the past champions in their black outfits, she 36 and he 35. They were alone. Then the rumba began and

they too came alive, sensationally. Having tied for second in the compulsories Tuesday, they needed to beat their rivals in this 2 minute original dance - worth 30 percent of the total score - in order to contend for the championship. Their presentation was graded two scores of 6.0 and six of 5.9s, which broke the tie with Oksana Gritschuk the 1993 Russian world champions. Maya Usova and Alexander Zhulin.

The championship itself is not so important; the audience has been watching carefully to see if elders will stumble against the children. In 1984. Torvil and Dean were wing with little such challenge. In 1994, they must beat their two Russian ogram, worth half of the total score. If the Britons succeed as to grow in their decade's absence?
"I don't know about its develop-

ment, because we've still been nart skate in the summer," said Vadim spent away, but this sport of expression of it," said Dean, who skated profession dearly applauds it, provided the sionally with Torvil. "Whoever wins, medal with Evgenia Shishkova, 21. experience is freshening and vibrant. that is going to be the style for the

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#### SIDELINES

#### Tokio, Endeavor Now Tied for Lead

SOUTHAMPTON, England (AP) — Tokio and New Zealand Endeavor were ried for the lead Thursday as the yachts neared the end of the third leg of the Whitbread 'Round the World Race.

Tokio, a Japanese New Zealand Whitbread 60 entry, and New Zealand Endeavor, a maxi-class boat, were reported 412 mantical miles from the

finish at Auckland, New Zealand. The Japanese-New Zealand entry Yamaha, eight miles off the lead early in the day, had not reported its

position but was still listed in third place.

The yacht Winston was 13 miles off the lead, with Spain's Galicia 93 Pescanova another three miles back and Europe's Introm Justitia a further nine miles behind.

• The catamaran ENZA New Zealand was 312 namical miles ahead of schedule in her bid to set a record for non-stop salling around the world, while the French trimaran Lyosmaise des Eaux-Dumez was 126 miles behind.

### German Soccer Decision Criticized

BONN (AFP) — The decision to call off an England-Germany soccer match on Hitler's birthday because of threats of clashes between neo-Nazis and English hooligans was harshly criticized Thursday. The German federation's president, Egidius Braun, called it a "capitulation to violence." The chairman of the Central Council of Jews in Germany, Ignatz Bubis, said "the state is giving the impression of going down on its knees before acts of right-wing violence."

down on its knees before acts of right-wing violence.

• Alan Ball was appointed manager Thursday of the struggling Premier League club Southampton. He succeeds Ian Branfoot, who resigned (AP)

#### Weightlifters Gained Not Just Fame

BONN (Renters) - Weightlifters in East Germany were forced to get fatty tissue removed from their cheans because they had used anabolic steroids, according to documents from the former Stasi state security police that were released Thursday.

According to a Stasi interview with a GDR sports official in 1984, five.

weightlifters who had used the drugs underwent operations at a Berlin hospital to have fat removed from around their pectoral muscles at the

end of their careers.

• The drug commission of the Italian Olympic Federation ruled there

• The drug commission of the Italian Olympic Federation ruled there is plausible evidence that Fabio Schiavo, an Italian track coach, had urged an athlete to use steroids. The report is to be referred to the national track and field federation for a ruling.

(AP)

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### 6 More Top 25 Teams Taken Down a Notch

It's not safe to be ranked as one (16-1, 6-0) won the Big East at of college basketball's top teams Providence (9-4, 3-3).

anymore. Michigan St. 70, No. 14 wrscou-Six more of the top 25 were upset sin 60: Michigan State (12-5, 3-2

throws in the final 33 seconds as the surprising Bulldogs (11-2, 5-0 Southeastern Conference) overcame a 10-point first-half deficit in taking a two-game lead over visit-

#### COLLEGE BASKETBALL ing Arkansas (12-2, 3-2) in the

SEC's Western Division.

Cortiss Williamson got 26 points
for Arkansas, which shot 34 percent

Marquette 66, No. 18 Ala-Birmingham 58: Jim McIlvaine scored
24 points, two on free throws with (26-of-77) against the league's best defense. The Razorbacks also made just 13 of 28 free throws. Virginia 81, No. 4 North Carolina

77: Junior Burrough scored 10 of Virginia's last 14 points and the Cavaliers held visiting North Carolina to four field goals in the final

Burrough wound up with 22 points as Virginia (10-4, 4-1 Atlantic Coast Conference) took sole possession of first place in the league. The Tar Heels (13-3, 3-2) lost for the fourth time in their left lost for the fourth time in their last six games at Charlottesville. No. 10 Connecticut 79, Provi-

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2.2 seconds left, as Connecticut

m Wednesday night.

Big Ten) dealt Wisconsin (12-2, 3-2) its second straight road loss as Shawn Respert scored 16 of his 20 points in the second half. Wake Forest 67, No. 17 Georgia

Tech 63: Trelonnie Owens scored 23 points and got the go-shead three-point play with 1:42 left as the Demon Deacons (12-4, 3-1 Atlantic Coast Conference) hung on against the Yellow Jackets (10-5, 1-3).

seven seconds left that ensured victory for Marquette (10-4, 3-0 Great Midwest Conference) and ended an 11-game winning streak for the Blazers (13-2, 2-1).

No. 22 Xarier 82, No. 19 Cincinnati 76: Jeff Massey made two 3pointers in overtime to give (12-1) its victory over Cincinnati (12-4) in one of the most emotional games of their crosstown rivalry. It ended with Cincinnari's coach, Bob Hug-gins, screaming at Xavier's coach, Pete Gillen, afterward.

No. 24 West Virginia 79, Marshall 67: Pervires Greene scored 23 dence 78: Kevin Ollie dribbled the points as visiting West Virginia length of the court and got his only (11-2) won the intrastate against field goal of the game, a lay-up with Marshall (5-10).

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#### **OBSERVER**

### The Won't-Do President

By Russell Baker

NEW YORK — I have been studying the Washington news this past week while you, I'll bet have been in deep immersion with ice skaters and the families Bobbitt and Menendez.

Am I being condescending? Absolutely not. The kneecapping of Nancy Kerrigan and the Bobbitt and Menendez bloodlettings speak painfully of our time and place.

There is real significance in stuff like this, and you can be sure the Washington newspeople would not only find it, they'd make your hair stand on end by explaining it, if they weren't so busy saving the nation

from its bumbling presidents. What, after all, could be more American than blowing the old folks away with shotguns while they're eating ice cream in front of the TV set? That's right: not just apple pie, but also telling the jury you did it in self-defense.

What could be more American than the butcher knife in the bedroom and the club to the knees in the ice rink? Right again: not just apple pie, but also the automatic pistol, reveling in the opportunity to say "penis" out loud, and paying millions of dollars to athletes willing to praise breakfast cereal.

Still, while studying the Washington news may be dusty, musty work for the unjusty, somebody has to keep track of the Union's everdeclining state. Thus I can report as

President Clinton still won't do. That's the consensus of the press and television newsfolk whose duty is to grade presidents. Some do it in newspaper columns, some do it in news stories and some do it in week-

end TV's noisy grading sessions. These can be seen on national networks between Friday night and the start of the Sunday football games but, except by masochists, they are pretty much ignored out-side Washington. Besides grading the president, the experts of press and television point out what he is doing wrong, how he could do it right, what he ought to be doing but isn't, how he should do it and how he can stop making a terrible mess

This, it usually turns out, requires him simply to take the advice of the

Europe

cessfully shouted down all his col-leagues and hijacked the camera.

Has any president been more thoroughly graded during his first year than Bill Clinton? Surely not. This week, marking the end of his first full year, naturally brought end-of-year report cards.

Studying them, I am saddened but not surprised to learn that, in the judgment of these Washington news people wise in governance, President Clinton simply won't do. The reason I am not surprised is

that when they graded him last week they also said he wouldn't do. What's more, in their year-end report cards issued to fill the news doldrum between Christmas Eve and Twelfth Night, we all remember what they said, don't we? "Won't do."

If you've ever had a child who shouldn't have taken Particle Physics 101 in the first place you know it's no fun having these grades on your president sent home from journalistic equivalents of Professors Oppenheimer, Fermi and Teller. They began when he'd been less

than a month in the White House: "Won't do." Then came the de-pressing "First Hundred Days" re-port: "Still won't do." A successful speech or two and a

couple of occasions when Republi-cans voted his way because his way was the Republican way — these brought a little relief. "Slight im-provement this week." Always fol-lowed by the same old report after the news experts' latest assembly: "Just won't do."
Having studied the wisdom of

these graders, I know what the president must do to succeed and list just a few of these things: get tougher with North Korea, come clean pronto about Whitewater, either adopt a dynamic new foreign policy or cut out foreign policy altogether, show contempt for labor and civil rights leaders, find out what Republicans want done and do it, do something

tell his wife to stay out of the office. Personally, I say he'll have to stop saying "grow the economy."
You grow tomatoes, not economies. Presidents who don't know the difference just won't do, and I'd like to say so if you'd just point the camera my way.

New York Times Service

### Movie Sets Off British-Irish Uproar

By Jonathan Freedland

Washington Post Service
WASHINGTON — As the end credits
roll, and a techno-jig plays, there is cheering, some tears, even dancing. Sinead O'Connor's lilt, Daniel Day-Lewis's Belfast accent and the last two hours of Celtic drama have the audience transported. But far beyond the movie theater, across

the Atlantic Ocean, there is no dancing. Only dark talk of conspiracies, of "targets." Few in Britain have seen "In the Name of the Father," which does not open there until next month. But the film has already been branded a "danger," with sinister whispers that Day-Lewis and costar Emma Thompson were "crazy" to make it. One British paper chided that they might as well have appeared in "Hooray for the Final Solution" or "Pol Por Takes a Holiday."

Leading the attack are conservatives who say the film is a ragbag of lies and distortions, a British "IFK" that will serve only as propaganda for Britain's most vi-cious enemy. Suits are threatened. while some of those involved with the real-life events depicted in the movie have con-

"In the Name of the Father" (review on page 8) tells the story of a man who is jailed for a crime he did not commit. The trouble is that the man in question is Irish and his jailers are British. To Anglo-Irish eyes that makes "In the Name of the Father" a war movie, one about a war that is still going on.

The drinkers at the Horse and Groom pub, like those at the Seven Stars, both in the well-to-do southern English town of Guildford, probably never thought of hemselves as living on the front line. On Oct. 5, 1974, two bombs put them there. Five people were killed and 71 were injured. The police picked up four people for

the bombings, including Gerard Conlon. a petty thief and layabout from Belfast. Under pressure - he says he was tortured by police officers - he made a confession in which he implicated his aunt and her nily, a move that would eventually drag his father down with him.

Conlon spent 15 years in jail, his father died a prisoner. Conlon was released in 1989 after London's highest court finally bowed to a long campaign, admitting Brit-ain had locked up the wrong people. On that day the Guildford Four became folk heroes. They became TV regulars, joining the party circuit: One of them. Paul Hill, even married a Kennedy (Rob-

In Ireland their celebrity has not faded. When "In the Name of the Father" pre-miered there, the post-movie party at Dub-

Asia

ert Kennedy's daughter Courtney).



Moviemaker Jim Sheridan with Daniel Day-Lewis during the filming.

lin Castle was a night out for the Irish elite, with the likes of U2 and Naomi Campbell keeping up the glamour quotient. The film grossed \$750,000 within two weeks, a record topped there only by "Jurassic Park."

Critical plaudits deluged Day-Lewis, who plays Conlon. His West Belfast accent is perfect, and there is admiration for his dogged preparation for the role. He subsisted on a diet of cold porridge and slops, denied himself sleep, spent three days in a cell, had cold water splashed over him, and submitted to interrogation by

Day-Lewis also spent time with Gerard Conlon himself — becoming says Conlon, a "big brother." They drove around Ireland. talking about the "pain, humiliation and degradation" of Conlon's years in jail. Under the guidance of Jim Sheridan, who directed his Oscar-winning performance as the disabled writer Christy Brown in "My Left Foot," the actor is now accused of creating a character who is dangerously sympathetic. Several London papers claimed that, by showing the British authorities in such a harsh light, the movie is bound to renew American support for the

Thompson has dismissed that criticism in the most succinct terms. "I don't give a [expletive], quite frankly," she told Vanity

The three policemen who conducted the Guildford inquiry are threatening to sue the filmmakers for libel. Detectives in the movie are shown extracting a confession from Conlon by pulling his ears, beating his head and threatening to kill his father.

Last year all charges against the real-life officers were dismissed.

No less antagonistic to the film are the Magnires, the clutch of Conlon relatives who went down because of his testimony. "Conlon should be put back in prison for what he has done to my family," said his 60year-old uncle Pat Magnire, wrongly jailed, along with his wife and children, for run-

ning a bomb factory out of his home. Each of these hostile camps has come up with a raft of inaccuracies it has spotted in the movie. Trials are merged or placed out of order, dates do not match, several individuals are forged into composite characters. Two examples are mentioned most often: On the night of the bombing, Con-lon is shown robbing a prostitute's apart-ment, suggesting to the audience that he had a perfect, albeit incriminating, alibi-In reality Conlon committed that crime 10 days after the bombing.

The film's key relationship is between Gerard and his ailing father, Giuseppe. As they share a prison cell, the wayward, immature son learns to admire the strength of the man he'd once despised. In reality, the two never lived in the same cell. Sometimes they were in different jails.

"Have you come here to kill us?" asks Sheridan - in Washington on a promotional tour - when he hears a reporter's British accent. He and Conlon are on the defensive, aware of the hammering their movie is taking across the water. "It's a dirty game," says Sheridan, a Dubliner. He suspects the onslaught is the handi-work of those in the British establishment. who never believed the Guildford Four

Next to him hunches Conlon, now 39. "T can identify with everything that's in it."
he says of the film's alleged departures
from the facts of his ordeal.

Sheridan emphasizes that all the changes were legitimate artistic license, born of the necessity to boil down a 15-year odyssey into two hours of moving pictures. Yes, having father and son share a cell was a "dramatic device," but it turns out that they often were next door to each other and were together constantly. "I got up in the morning and made him his tea," says Conlon.

Let the policemen sue for libel — if anything, the film is soft on them, the two Irishmen say. In Conlon's autobiography, "Proved Innocent," he says that the inquisitors' favored method of pressure was to squeeze his testicies until he gave in.

The film shows nothing like that.

As for the charge that "In the Name of the Father" is anti-British, both director and subject object adamantly. On screen Guseppe Conion pleads, "I'm not political," and Jim Sheridan says something like

"To hell with all that," the director answers when asked about the Irish Republican dream of a united Ireland.

"English people played such a fundamental role in getting me out," adds Conlon. "How could I be part of a film that sharred them?"

Conlon insists that Sheridan's film has captured the emotional journey he made toward his father. He says he thinks posi-tively of the years he was deprived of his liberty because they gave him the privilege of being with his father. "I got to know this physically weak man who was a giant inside."

WEEKEND SKI REPORT

#### PEOPLE

#### Lennon Inducted Again To Rock Hall of Fame

The Rock and Roll Hall of Fame ceremony was bittersweet, as Paul McCartney honored John Lennon, his Beatles songwriting partner. McCartney said after the presentation that it would have been funny to see Lennon's reaction to his induction. "John would have bean the guy in the erowd hecking," he said. Lemon's wife, Yoko Ono, added: "And kicked out, maybe?". Lennon was slain in 1980. His sons. Julian and Sean, joined Ono as she thanked the crowd for the bonor -Lennon's second induction into the hall. His first was as a member of the Beatles. Other new members are the Grateful Dead, the Band, the Animals, Elton John, Rod Stewart and Duane Eddy. Bob Marley also was inducted posthimou o, of the band U2 Marley by Bono, of the band L died of cancer in 1981.

The Danish couturier Erik Mortensen, who designs for the house of Jean-Louis Scherrer, and the French designers Didier Lecounce and Heanant Sagar of Lecounce He mant shared the De d'Or (Golden Thimble), the prestigious high-fashion award. A special thimble went to the coiffeur Alexandre. П

Karl Lagerfeld apologized to Muslims on Thursday and climinated from his new Chanel collection a low-cut dress printed with a passage from the Koran. Clerics in Indonesia had called for a boycott of Cha-nel after the supermodel Clandia Schiffer strutted the bustier dress with the Arabic writing. Lagerfeld. said he was "terribly sorry" but that he didn't know the passage was from the Muslim holy book. "I was told it was a love poem in memory of a maharani," he said.

Four weeks after announcing that its landmark Frank Lloyd Wright building would be named in honor of the developer Samuel Le-Frak and his wife, Ethel, the donors of \$10 million, the Solomon Guggenheim Museum in New York said it had received another gift of \$10 million, from the financier Ronald Perclana.

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Appears on Pages 4, 8 & 17

#### WEATHER

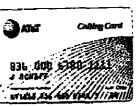
# Forecast for Saturday through Monday, as provided by Accu-Weather North America A January thaw will reach the Northeest this weekend

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